

AMENDED IN SENATE SEPTEMBER 15, 2008

AMENDED IN SENATE AUGUST 29, 2008

AMENDED IN SENATE AUGUST 11, 2008

AMENDED IN SENATE JULY 12, 2007

AMENDED IN SENATE JULY 2, 2007

AMENDED IN SENATE MAY 21, 2007

AMENDED IN ASSEMBLY MARCH 22, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 88

Introduced by Committee on Budget

December 13, 2006

An act to amend and supplement the Budget Act of 2008 by amending Items 0250-001-0159, 0650-001-0001, 0690-001-0001, 0690-001-0890, ~~0690-001-1014~~, 0690-002-0001, 0690-101-0890, 0690-102-0001, 0820-001-0001, 0840-001-0001, 0855-111-0367, ~~0890-001-0001~~, 0950-001-0001, 1760-001-0666, 1880-001-0001, 1955-001-9730, 2640-101-0046, 2660-001-0042, 2660-104-6059, 2660-304-6059, 2660-492, ~~3790-001-0001~~, ~~3540-001-0001~~ 3790-490, 3900-001-0044, 4260-101-0001, ~~4260-101-0890~~, 4260-111-0001, 4260-111-0890, 4300-101-0001, ~~4440-101-0001~~, 5180-101-0001, 5180-101-0890, 5180-111-0001, 5180-141-0001, 5180-141-0890, 5180-151-0001, 5180-151-0890, 5225-001-0001, 5225-002-0001, 5225-101-0001, 5225-301-0001, 5225-301-0660, 6110-001-0001, 6110-001-0890, 6110-101-0349, 6110-103-0001, 6110-104-0001, 6110-105-0001, 6110-107-0001, 6110-108-0001, 6110-111-0001, 6110-119-0001, 6110-122-0001, 6110-123-0890, 6110-124-0001, 6110-125-0001,

6110-126-0890, 6110-128-0001, 6110-130-0001, 6110-134-0890, 6110-136-0890, 6110-140-0001, 6110-150-0001, 6110-151-0001, 6110-156-0001, 6110-158-0001, 6110-161-0001, 6110-167-0001, 6110-181-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-196-0001, 6110-198-0001, 6110-201-0890, 6110-202-0001, 6110-203-0001, 6110-204-0001, 6110-209-0001, 6110-211-0001, 6110-224-0001, 6110-228-0001, 6110-232-0001, 6110-234-0001, 6110-240-0001, 6110-243-0001, 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001, 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-267-0001, 6110-488, *6120-011-6029*, 6440-001-0001, 6440-302-6041, 6440-304-6048, 6870-101-0001, 7980-001-0001, 7980-001-0890, 7980-101-0001, 7980-101-0890, 8380-001-0001, 8660-001-0042, 8660-001-0046, 8660-001-0412, 8660-001-0461, 8660-001-0462, 8860-001-0001, 8880-001-9737, ~~and 9100-101-0001~~ *8940-001-0001, and 9210-101-0001* of, by adding Items 0820-012-0378, 0820-495, ~~3790-001-1014~~, 3790-494, 6440-301-0660, 6610-301-0660, *6610-491*, 8660-011-0470, 8660-011-0471, 8660-011-0483, 9210-105-0001, and 9350-104-6065 to, and by repealing ~~Item~~ *Items 0690-001-1014, 3540-001-1014, and 6110-135-0890* of, Section 2.00 of, and by amending Sections 4.07, 12.32, 24.85, and 35.50 of, and by adding Section 35.20 to, that act, relating to the State Budget, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 88, as amended, Committee on Budget. Budget Act of 2008.

AB 1781, as proposed by Conference Report No. 1 on July 17, 2008, would make appropriations for the support of state government for the 2008–09 fiscal year.

This bill would amend and supplement the Budget Act of 2008 by revising items of appropriation for the Office of Planning and Research; the Office of Emergency Services; the Department of Justice; the Controller; *the Secretary of State*; the Treasurer; the Department of General Services; the State Personnel Board; the Department of Technology Services; *the Department of Forestry and Fire Protection*; the Department of Parks and Recreation; the State Air Resources ~~Control~~ Board; the State Department of Developmental Services; the State Department of Health Care Services; *the State Department of Mental Health*; the State Department of Social Services; the Department of

Corrections and Rehabilitation; the Student Aid Commission; the State Department of Education; *the California State Library*; the University of California; the California State University; the California Community Colleges; the Department of Personnel Administration; the Public Utilities Commission; the Department of Finance; *the Military Department*; the Financial Information System for California; and local government financing.

The bill also would make technical, nonsubstantive changes to various items.

This bill would become operative only if AB 1781, as proposed by Conference Report No. 1 on July 17, 2008, is enacted on or before January 1, 2009.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Item 0250-001-0159 of Section 2.00 of the Budget
2 Act of 2008 is amended to read:
3
4 0250-001-0159—For support of Judicial Branch, payable from
5 the Trial Court Improvement Fund..... 9,266,000
6 Provisions:
7 1. Notwithstanding any other provision of law, upon ap-
8 proval by the Administrative Director of the Courts,
9 the Controller shall increase this item up to
10 \$18,673,000 for recovery of costs for administrative
11 services provided to the trial courts by the Administra-
12 tive Office of the Courts.
13 2. Notwithstanding any other provision of law, upon ap-
14 proval by the Administrative Director of the Courts,
15 and notification to the Department of Finance, the
16 chairpersons of the committees in each house of the
17 Legislature that consider appropriations and the State
18 Budget, and the Chairperson of the Joint Legislative
19 Budget Committee, the Controller shall additionally
20 increase this item by an amount, or amounts, totaling
21 no more than \$2,801,000 for recovery of costs for ad-

ministrative services provided to the trial courts by the Administrative Office of the Courts. Any augmentation shall be authorized no sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and appropriate subcommittees that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee or his or her designee may determine.

SEC. 2. Item 0650-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

0650-001-0001—For support of Office of Planning and Research.....	3,983,000
Schedule:	
(1) 11-State Planning and Policy Development.....	5,486,000
(2) 21-California Volunteers.....	6,967,000
(3) Reimbursements.....	-3,518,000
(4) Amount payable from the Federal Trust Fund (Item 0650-001-0890).....	-2,942,000
(5) Amount payable from the Central Service Cost Recovery Fund (Item 0650-001-9740).....	-2,010,000

~~SEC. 3. Item 0690-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:~~

0690-001-0001—For support of Office of Emergency Services.....	35,098,000
Schedule:	
(1) 15-Mutual Aid Response.....	23,010,000
(2) 35-Plans and Preparedness.....	34,353,000
(3) 45-Disaster Assistance.....	27,830,000
(4) 55.01-Administration and Executive.....	8,112,000
(5) 55.02-Distributed Administration and Executive.....	-8,112,000

1	(6) Reimbursements.....	-4,176,000
2	(7) Amount payable from the Unified Pro-	
3	gram Account (Item 0690-001-0028)....	-816,000
4	(8) Amount payable from the Nuclear	
5	Planning Assessment Special Account	
6	(Item 0690-001-0029).....	-1,175,000
7	(9) Amount payable from the Federal Trust	
8	Fund (Item 0690-001-0890).....	-38,508,000
9	(10) Amount payable from the Antiterrorism	
10	Fund (Item 0690-015-3034).....	-103,000
11	(12) Amount payable from the Emergency	
12	Response Account (Item 0690-001-	
13	1014).....	-5,317,000
14	Provisions:	
15	1. Funds appropriated in this item may be reduced by the	
16	Director of Finance, after giving notice to the Chair-	
17	person of the Joint Legislative Budget Committee, by	
18	the amount of federal funds made available for the	
19	purposes of this item in excess of the federal funds	
20	scheduled in Item 0690-001-0890.	
21	2. The Office of Emergency Services shall charge tuition	
22	for all training offered through the California Special-	
23	ized Training Institute.	
24	3. Upon approval by the Department of Finance, the	
25	Controller shall transfer such funds as are necessary	
26	between this item and Item 0690-101-0890.	
27	4. Notwithstanding Section 8581.5 of the Government	
28	Code, the California Emergency Council shall not be	
29	required to publish a biennial report on the state of	
30	emergency preparedness for catastrophic disasters, as	
31	specified, during the 2008-09 fiscal year.	
32	-	

SEC. 3. Item 0690-001-0001 of Section 2.00 of the Budget Act
of 2008 is amended to read:

36	0690-001-0001—For support of Office of Emergency Ser-	
37	vices.....	35,098,000
38		36,988,000

1	Schedule:	
2	(1) 15-Mutual Aid Response.....	23,010,000
3		21,230,000
4	(2) 35-Plans and Preparedness.....	31,059,000
5	(3) 45-Disaster Assistance.....	27,830,000
6		29,477,000
7	(4) 55.01-Administration and Executive.....	8,112,000
8		7,972,000
9	(5) 55.02-Distributed Administration and	
10	Executive.....	-8,112,000
11		-7,972,000
12	(6) Reimbursements.....	-4,176,000
13	(7) Amount payable from the Unified Pro-	
14	gram Account (Item 0690-001-0028)....	-816,000
15	(8) Amount payable from the Nuclear	
16	Planning Assessment Special Account	
17	(Item 0690-001-0029).....	-1,175,000
18	(9) Amount payable from the Federal Trust	
19	Fund (Item 0690-001-0890).....	-36,861,000
20		-38,508,000
21	(10) Amount payable from the Antiterrorism	
22	Fund (Item 0690-015-3034).....	-103,000
23	(12) Amount payable from the Emergency	
24	Response Account (Item 0690-001-	
25	1014).....	-3,670,000
26	Provisions:	
27	1. Funds appropriated in this item may be reduced by the	
28	Director of Finance, after giving notice to the Chair-	
29	person of the Joint Legislative Budget Committee, by	
30	the amount of federal funds made available for the	
31	purposes of this item in excess of the federal funds	
32	scheduled in Item 0690-001-0890.	
33	2. The Office of Emergency Services shall charge tuition	
34	for all training offered through the California Special-	
35	ized Training Institute.	
36	3. Upon approval by the Department of Finance, the	
37	Controller shall transfer such funds as are necessary	
38	between this item and Item 0690-101-0890.	
39	4. Notwithstanding Section 8581.5 of the Government	
40	Code, the California Emergency Council shall not be	

required to publish a biennial report on the state of emergency preparedness for catastrophic disasters, as specified, during the 2008–09 fiscal year.

SEC. 4. Item 0690-001-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

0690-001-0890—For support of Office of Emergency Services, for payment to Item 0690-001-0001, payable from the Federal Trust Fund..... 38,508,000

Provisions:

1. Any funds that may become available, in addition to the funds appropriated in this item, for disaster response and recovery may be allocated by the Department of Finance subject to the conditions of Section 28.00, except that, notwithstanding subdivision (d) of that section, the allocations may be made 30 days or less after notification of the Legislature.
2. Notwithstanding any other provision of law, the funds appropriated in this item may be expended without regard to the fiscal year in which the application for reimbursement was submitted to the Federal Emergency Management Agency.

~~SEC. 5. Item 0690-001-1014 of Section 2.00 of the Budget Act of 2008 is amended to read:~~

~~0690-001-1014—For support of Office of Emergency Services, for payment to Item 0690-001-0001, payable from the Emergency Response Account..... 5,317,000~~

~~SEC. 5. Item 0690-001-1014 of Section 2.00 of the Budget Act of 2008 is repealed.~~

~~0690-001-1014—For support of Office of Emergency Services, for payment to Item 0690-001-0001, payable from the Emergency Response Account..... 3,670,000~~

SEC. 6. Item 0690-002-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

1	0690-002-0001—For support of Office of Emergency Ser-	
2	vices.....	10,882,000
3	Schedule:	
4	(1) 50-Criminal Justice Projects.....	15,174,000
5	(2) 51-State Terrorism Threat Assessment	
6	Center.....	6,369,000
7	(3) Reimbursements.....	-20,000
8	(4) Amount payable from the Local Public	
9	Prosecutors and Public Defenders	
10	Training Fund (Item 0690-002-0241)....	-80,000
11	(5) Amount payable from the Victim-Wit-	
12	ness Assistance Fund (Item 0690-002-	
13	0425).....	-1,282,000
14	(6) Amount payable from the High Technol-	
15	ogy Theft Apprehension and Prosecu-	
16	tion Program Trust Fund (Item 0690-	
17	002-0597).....	-621,000
18	(7) Amount payable from the Federal Trust	
19	Fund (Item 0690-002-0890).....	-8,658,000
20	Provisions:	
21	1. The funds appropriated in Schedule (2) shall be used	
22	to continue and expand funding for the State Terrorism	
23	Threat Assessment Center, which shall provide inves-	
24	tigative assistance to local and federal law enforcement	
25	agencies, provide intelligence gathering and data	
26	analysis, and create and maintain a statewide informa-	
27	tional database to analyze and distribute information	
28	related to terrorist activities. The Office of Emergency	
29	Services shall allocate funds to the Department of	
30	Justice for these purposes upon the request of the De-	
31	partment of Justice.	
32	2. It is the intent of the Legislature that the General Fund	
33	shall be reimbursed from future allocations of federal	
34	security-related funds that may be used for the purpos-	
35	es described in this item.	

37 SEC. 7. Item 0690-101-0890 of Section 2.00 of the Budget
38 Act of 2008 is amended to read:

0690-101-0890—For local assistance, Office of Emergency
 Services, payable from the Federal Trust Fund..... 552,826,000
 Schedule:
 (1) 35-Plans and Preparedness..... 18,100,000
 (2) 45-Disaster Assistance..... 534,726,000
 Provisions:
 1. Any federal funds that may become available in addition to the funds appropriated in this item for Program 45-Disaster Assistance are exempt from Section 28.00.

SEC. 8. Item 0690-102-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

0690-102-0001—For local assistance, Office of Emergency
 Services..... 48,794,000
 Schedule:
 (1) 50.20-Victim Services..... 3,916,000
 (2) 50.30-Public Safety..... 44,878,000
 Provisions:
 1. Notwithstanding any other provision of law, the Office of Emergency Services may provide advance payment of up to 25 percent of grant funds awarded to community-based nonprofit organizations, cities, school districts, counties, and other units of local government that have demonstrated cashflow problems according to the criteria set forth by the Office of Emergency Services.
 2. To maximize the use of program funds and demonstrate the commitment of the grantees to program objectives, the Office of Emergency Services shall require all grantees of funds from the Gang Violence Suppression-Curfew Enforcement Strategy Program to provide local matching funds of at least 10 percent for the first and each subsequent year of operation. This match requirement applies to each agency that is to receive grant funds. An agency may meet its match requirements with an in-kind match, if approved by the Office of Emergency Services.
 3. Of the amount appropriated in Schedule (2), \$800,000 shall be provided for grants to counties, consistent

1 with the Central Coast Rural Crime Prevention Pro-
2 gram as established in Chapter 18 of the Statutes of
3 2003. The funds shall be distributed only to counties
4 for planning, or for implementation of the program in
5 those counties that have completed the planning pro-
6 cess, consistent with Chapter 18 of the Statutes of
7 2003. In no case shall a grant exceed \$300,000.

- 8 4. The Department of Finance shall include a special
9 display table in the Governor's Budget under the Of-
10 fice of Emergency Services that displays, by fund
11 source, component level detail for Program 50, Crim-
12 inal Justice Projects. In addition, the Office of Emer-
13 gency Services, in consultation with the Department
14 of Finance, shall provide a report to the Joint Legisla-
15 tive Budget Committee by January 10 of each year
16 that provides a list of grantees, total funds awarded to
17 each grantee, and performance statistics to document
18 program outputs and outcomes in order to assess the
19 state's return on investment for each component of
20 Program 50 for each of the three years displayed in
21 the Governor's Budget.

- 22 5. Of the funding appropriated in Schedule (2),
23 \$19,500,000 is for local assistance to support the Cal-
24 ifornia Multijurisdictional Methamphetamine Enforce-
25 ment Teams (Cal-MMET) Programs. The Office of
26 Emergency Services (OES) shall establish and admin-
27 ister a competitive grant program on a three-year cycle
28 for eligible California counties that have established,
29 participate in, or that propose to establish metham-
30 phetamine task forces for the purpose of implementing
31 a comprehensive strategy to reduce the incidences of
32 methamphetamine trafficking and manufacturing and,
33 in particular, to target large-scale methamphetamine
34 trafficking and manufacturing operations. Up to 3
35 percent of the funds appropriated for this program may
36 be transferred to Item 0690-002-0001 for expenditure
37 as necessary for OES to administer the competitive
38 grant program. Funding for the methamphetamine task
39 force shall not supplant available federal funding. The
40 distribution of funds by OES shall be based on a

competitive process whereby those counties receiving funds demonstrate the greatest need and the most reasonable solutions for addressing the local methamphetamine problem. No grant shall be greater than \$2,500,000, and no grant shall be less than \$200,000.

SEC. 9. Item 0820-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

0820-001-0001—For support of Department of Justice.....	364,325,000
Schedule:	
(1) 11.01-Directorate—Administration.....	94,900,000
(2) 11.02-Distributed Directorate—Admin-	
istration.....	-94,900,000
(3) 30-Civil Law.....	147,017,000
(4) 40-Criminal Law.....	123,711,000
(5) 45-Public Rights.....	92,352,000
(6) 50-Law Enforcement.....	250,266,000
(7) 60-California Justice Information Ser-	
vices.....	165,960,000
(7.5) Unallocated Reduction.....	346,000
(8) Reimbursements.....	-39,204,000
(9) Amount payable from the Attorney	
General Antitrust Account (Item 0820-	
001-0012).....	-1,329,000
(10) Amount payable from the Fingerprint	
Fees Account (Item 0820-001-	
0017).....	-69,123,000
(11) Amount payable from the Firearm	
Safety Account (Item 0820-001-	
0032).....	-331,000
(12) Amount payable from the Motor Vehi-	
cle Account, State Transportation Fund	
(Item 0820-001-0044).....	-24,840,000
(13) Amount payable from the Department	
of Justice Sexual Habitual Offender	
Fund (Item 0820-001-0142).....	-2,317,000
(14) Amount payable from the Travel Seller	
Fund (Item 0820-001-0158).....	-1,344,000

1	(15) Amount payable from the Restitution	
2	Fund (Item 0820-001-0214).....	-339,000
3	(16) Amount payable from the Sexual	
4	Predator Public Information Account	
5	(Item 0820-001-0256).....	-199,000
6	(17) Amount payable from the Indian	
7	Gaming Special Distribution Fund	
8	(Item 0820-001-0367).....	-15,225,000
9	(18) Amount payable from the False Claims	
10	Act Fund (Item 0820-001-0378).....	-10,533,000
11	(19) Amount payable from the Dealers'	
12	Record of Sale Special Account (Item	
13	0820-001-0460).....	-11,640,000
14	(20) Amount payable from the Department	
15	of Justice Child Abuse Fund (Item	
16	0820-001-0566).....	-359,000
17	(21) Amount payable from the Gambling	
18	Control Fund (Item 0820-001-0567)....	-8,093,000
19	(22) Amount payable from the Gambling	
20	Control Fines and Penalties Account	
21	(Item 0820-001-0569).....	-46,000
22	(23) Amount payable from the Federal	
23	Trust Fund (Item 0820-001-0890).....	-42,242,000
24	(24) Amount payable from the Federal Asset	
25	Forfeiture Account, Special Deposit	
26	Fund (Item 0820-001-0942).....	-1,508,000
27	(25) Amount payable from the State Asset	
28	Forfeiture Account, Special Deposit	
29	Fund (Item 0820-011-0942).....	-578,000
30	(26) Amount payable from the Firearms	
31	Safety and Enforcement Special Fund	
32	(Item 0820-001-1008).....	-3,164,000
33	(27) Amount payable from the Missing Per-	
34	sons DNA Data Base Fund (Item 0820-	
35	001-3016).....	-4,638,000
36	(28) Amount payable from the Public Rights	
37	Law Enforcement Special Fund (Item	
38	0820-001-3053).....	-5,997,000
39	(29) Amount payable from the Ratepayer	
40	Relief Fund (Item 0820-001-3061).....	-7,198,000

- 1 (30) Amount payable from the DNA Iden-
2 tification Fund (Item 0820-001-
3 3086)..... -31,161,000
- 4 (31) Amount payable from the Unfair Com-
5 petition Law Fund (Item 0820-001-
6 3087)..... -3,565,000
- 7 (32) Amount payable from the Registry of
8 Charitable Trusts Fund (Item 0820-001-
9 3088)..... -2,898,000
- 10 (33) Amount payable from the Legal
11 Services Revolving Fund (Item 0820-
12 001-9731)..... -124,000,000
- 13 (34) Amount payable from the Central Ser-
14 vice Cost Recovery Fund (Item 0820-
15 001-9740)..... -3,456,000

16 Provisions:

- 17 1. The Attorney General shall submit to the Legislature,
18 the Department of Finance, and the Governor the
19 quarterly and annual reports that he or she submits to
20 the federal government on the activities of the Medi-
21 Cal Fraud Unit.
- 22 2. Notwithstanding any other provision of law, the De-
23 partment of Justice may purchase or lease vehicles of
24 any type or class that, in the judgment of the Attorney
25 General or his or her designee, are necessary to the
26 performance of the investigatory and enforcement re-
27 sponsibilities of the Department of Justice, from the
28 funds appropriated for that purpose in this item.
- 29 3. Of the amount included in Schedule (3), \$2,912,000
30 is available for costs related to the Lloyd's of London
31 (Stringfellow) litigation. Any funds not expended for
32 this specific purpose as of June 30, 2009, shall revert
33 immediately to the General Fund.
- 34 4. Of the funds appropriated in this item, \$16,763,000 is
35 available solely for the Correctional Law Section that
36 handles only workload related to Department of Cor-
37 rections and Rehabilitation cases.
- 38 5. Notwithstanding any other provision of law, of the
39 funds appropriated in Schedule (6), \$1,258,000 is
40 payable from the Dealers' Record of Sale Special

Account and may be used to update the Automated Firearms Systems (AFS) database as part of the ongoing project to redesign the Criminal Justice Information System (CJIS). These funds may not be expended until the office of the State Chief Information Officer approves a special project report for the CJIS project following the completion of CJIS procurement. The Department of Justice shall notify the Joint Legislative Budget Committee that a special project report has been approved within 30 days of the report's approval by the office of the State Chief Information Officer, and shall include with the notification a copy of the approved special project report.

6. The Department of Justice may use funds appropriated in Schedule (6) to fund the Gang Suppression Enforcement Teams Program and the California Methamphetamine Strategy Program.

SEC. 10. Item 0820-012-0378 is added to Section 2.00 of the Budget Act of 2008, to read:

0820-012-0378—For transfer by the Controller, upon order of the Director of Finance, from the False Claims Act Fund, to the General Fund..... (11,137,000)

SEC. 11. Item 0820-495 is added to Section 2.00 of the Budget Act of 2008, to read:

0820-495—Reversion, Department of Justice. As of June 30, 2008, the balance specified below, of the appropriation provided in the following citation shall revert to the balance in the fund from which the appropriation was made:

0001—General Fund

- (1) Item 0820-001-0001, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).... 17,000,000

~~SEC. 12. Item 0840-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:~~

1	0840-001-0001—For support of the Controller.....	57,576,000
2	Schedule:	
3	(1) 100000-Personal Services.....	107,138,000
4	(2) 300000-Operating Expenses and	
5	Equipment.....	70,286,000
6	(3) Amount payable from various special	
7	and nongovernmental cost funds (Sec-	
8	tion 25.25).....	-13,500,000
9	(4) Reimbursements.....	-44,837,000
10	(5) Amount payable from the Motor Vehicle	
11	Fuel Account, Transportation Tax Fund	
12	(Item 0840-001-0061).....	-4,095,000
13	(6) Amount payable from the Highway	
14	Users Tax Account, Transportation Tax	
15	Fund (Item 0840-001-0062).....	-1,162,000
16	(7) Amount payable from the Local Rev-	
17	enue Fund (Item 0840-001-0330).....	-591,000
18	(8) Amount payable from the Federal Trust	
19	Fund (Item 0840-001-0890).....	-1,410,000
20	(9) Amount payable from the Public Em-	
21	ployees' Health Care Fund (Item 0840-	
22	001-0822).....	-199,000
23	(10) Amount payable from the State Penalty	
24	Fund (Item 0840-001-0903).....	-1,317,000
25	(11) Amount payable from the Unclaimed	
26	Property Fund (Item 0840-001-	
27	0970).....	-26,103,000
28	(12) Amount payable from various other	
29	unallocated nongovernmental cost funds	
30	(Retail Sales Tax Fund) (Item 0840-	
31	001-0988).....	-242,000
32	(13) Amount payable from the 2006 State	
33	School Facilities Fund (Item 0840-001-	
34	6057).....	-968,000
35	(13.5) Amount payable from the Central	
36	Service Cost Recovery Fund (Item	
37	0840-001-9740).....	-23,971,000
38	(14) Amount payable from other unallocated	
39	special funds (Item 0840-011-0494)....	-73,000

1	(15) Amount payable from unallocated bond	
2	funds (Item 0840-011-0797).....	-478,000
3	(16) Amount payable from various other	
4	unallocated nongovernmental cost funds	
5	(Item 0840-011-0988).....	-68,000
6	(17) Amount payable from the Public	
7	Transportation Account, State Trans-	
8	portation Fund (Section 25.50).....	-18,000
9	(18) Amount payable from the Highway	
10	Users Tax Account, Transportation Tax	
11	Fund (Section 25.50).....	-286,000
12	(19) Amount payable from the Motor Vehi-	
13	cle License Fee Account, Transporta-	
14	tion Tax Fund (Section 25.50).....	-16,000
15	(20) Amount payable from the DMV Local	
16	Agency Collection Fund (Section	
17	25.50).....	-2,000
18	(21) Amount payable from the Trial Court	
19	Trust Fund (Section 25.50).....	-164,000
20	(22) Amount payable from the Timber Tax	
21	Fund (Section 25.50).....	-1,000
22	(23) Amount payable from the Public Safety	
23	Account, Local Public Safety Fund	
24	(Section 25.50).....	-253,000
25	(24) Amount payable from the Local Rev-	
26	enue Fund (Section 25.50).....	-94,000
27	Provisions:	
28	1. The funding provided in Item 0840-001-0970 shall be	
29	in lieu of the appropriation in Section 1564 of the Code	
30	of Civil Procedure for all costs, expenses, or obliga-	
31	tions connected with the administration of the Un-	
32	claimed Property Law, with the exception of payment	
33	of owners' or holders' claims pursuant to Section 1540,	
34	1542, 1560, or 1561 of the Code of Civil Procedure,	
35	or of payment of the costs of compensating contractors	
36	for locating and recovering unclaimed property due	
37	the state.	
38	2. Of the claims received for reimbursement of court-	
39	ordered or voluntary desegregation programs pursuant	
40	to Article 6 (commencing with Section 41540) of	

Chapter 3.2 of Part 24 of Division 3 of Title 2 of the Education Code, the Controller shall pay only those claims that have been subjected to audit by school districts in accordance with the Controller's procedures manual for conducting audits of education desegregation claims. Furthermore, the Controller shall pay only those past-year actual claims for desegregation program costs that are accompanied by all reports issued by the auditing entity, unless the auditing entity was the Controller.

3. The Controller may, with the concurrence of the Director of Finance and the Chairperson of the Joint Legislative Budget Committee, bill affected state departments for activities required by Section 20050 of the State Administrative Manual, relating to the administration of federal pass-through funds.

—No billing may be sent to affected departments sooner than 30 days after the Chairperson of the Joint Legislative Budget Committee has been notified by the Director of Finance that he or she concurs with the amounts specified in the billings.

4. (a) Notwithstanding subdivision (b) of Section 1531 of the Code of Civil Procedure, the Controller may publish notice in any manner that the Controller determines reasonable, provided that (1) none of the moneys used for this purpose is redirected from funding for the Controller's audit activities, (2) no photograph is used in the publication of notice, and (3) no elected official's name is used in the publication of notice.

- (b) No funds appropriated in this act may be expended by the Controller to provide general information to the public, other than holders (as defined in subdivision (c) of Section 1501 of the Code of Civil Procedure) of unclaimed property, concerning the unclaimed property program or possible existence of unclaimed property held by the Controller's office, except for informational announcements to the news media, through the exchange of information on electronic bulletin

- 1 boards, or no more than \$50,000 per year to in-
2 form the public about this program in activities
3 already organized by the Controller for other
4 purposes. This restriction does not apply to send-
5 ing individual notices to property owners (as re-
6 quired by the Code of Civil Procedure).
- 7 5. Of the moneys appropriated to the Controller in this
8 act, the Controller shall not expend more than
9 \$500,000 to conduct posteligibility fraud audits of the
10 Supplemental Security Income/State Supplementary
11 Payment Program.
- 12 6. The Commission on State Mandates shall provide, in
13 applicable parameters and guidelines, as follows:
- 14 (a) If a local agency or school district contracts with
15 an independent contractor for the preparation and
16 submission of reimbursement claims, the costs
17 reimbursable by the state for that purpose shall
18 not exceed the lesser of (1) 10 percent of the
19 amount of the claims prepared and submitted by
20 the independent contractor, or (2) the actual costs
21 that would necessarily have been incurred for that
22 purpose if performed by employees of the local
23 agency or school district.
- 24 (b) The maximum amount of reimbursement provided
25 in subdivision (a) may be exceeded only if the
26 local agency or school district establishes, by ap-
27 propriate documentation, that the preparation and
28 submission of these claims could not have been
29 accomplished without incurring the additional
30 costs claimed by the local agency or school dis-
31 trict.
- 32 7. The funds appropriated to the Controller in this item
33 may not be expended for any performance review or
34 performance audit except pursuant to specific statutory
35 authority. It is the intent of the Legislature that audits
36 conducted by the Controller, or under the direction of
37 the Controller, shall be fiscal audits that focus on
38 claims and disbursements, as provided for in Section
39 12410 of the Government Code. Any report, audit,
40 analysis, or evaluation issued by the Controller for the

- 2008–09 fiscal year shall cite the specific statutory or constitutional provision authorizing the preparation and release of the report, audit, analysis, or evaluation.
8. The Controller shall deliver his or her monthly report on General Fund cash receipts and disbursements within 10 days after the close of each month to the Joint Legislative Budget Committee, the fiscal committees of the Legislature, the Department of Finance, the Treasurer's office, and the Legislative Analyst's Office.
9. For purposes of the review and payment of any claim for reimbursement by local government submitted pursuant to Section 54954.4 of the Government Code, the Controller shall use the procedures that were in effect at the time the claim was submitted.
10. Pursuant to subdivision (c) of Section 1564 of the Code of Civil Procedure, the Controller shall transfer all moneys in the Abandoned Property Account in excess of \$50,000 to the General Fund no less frequently than at the end of each month. This transfer shall include unclaimed Proposition 103 insurance rebate moneys pursuant to Section 1861.01 of the Insurance Code and Section 1523 of the Code of Civil Procedure.
11. The Controller shall provide to the Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the chairpersons of the fiscal committees of each house of the Legislature a report that provides the following details by mandate: the level of claims requested; the amount reduced by the initial desk audit; the amount paid; the amount recouped; and the results of a final audit and subsequent funding adjustments. The report is due on June 30, 2009, and will cover the fourth quarter of the 2007–08 fiscal year and the first three quarters of the 2008–09 fiscal year.
12. To the extent authorized by existing law, the Controller shall recoup the amount of any unallowable mandate claim costs resulting from desk or field audits of such claims.
13. The Controller's estimate of the state's liability for postemployment benefits prepared to comply with

Governmental Accounting Standards Board (GASB) Statement 45 shall include, in addition to all other items required under the accounting statement: (a) an identification and explanation of any significant differences in actuarial assumptions or methodology from any relevant similar types of assumptions or methodology used by the Public Employees' Retirement System to estimate state pension obligations; and (b) alternative calculations of the state's liability for other postemployment benefits using different long-term rates of investment return consistent with a hypothetical assumption that the state will begin to deposit 100 percent or a lesser percent, respectively, of its annual required contribution under GASB Statement 45 to a retiree health and dental benefits trust fund beginning in the 2007-08 fiscal year. This provision shall not obligate the state to change the practice of funding health and dental benefits for annuitants currently required under state law.

14. The funds appropriated to the Controller in this item may not be expended on additional actuarial valuations, beyond the annual actuarial valuation, for other postemployment benefits, prior to obtaining concurrence in writing from the Department of Finance. The additional actuarial valuations shall only be performed to the extent resources exist, or if funds are provided by the requesting agency.

15. Notwithstanding any other provision of law, the Director of Finance may authorize increases or decreases in expenditures for this item to reflect the final lease costs for the Cannery Business Park location and lease costs associated with the federal injunction on the Unclaimed Property Program of the Controller. The Director of Finance may authorize expenditure adjustments per this provision not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint

committee, or his or her designee, may in each instance determine:

16. ~~The Controller shall provide the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees in each house of the Legislature a report on the Human Resources Management System specifying the dollars expended on the program in the previous fiscal year and over the life of the program and any known savings that have occurred in the prior fiscal year, to be submitted annually but no later than August 30 of each year. The report should compare the known savings with the most recent estimate of projected savings and explain the methodology by which the savings were calculated.~~
17. ~~The Controller shall deliver yearend financial data as specified by the Department of Finance, for the fiscal year just ended, in hard copy and electronic format, by October 15 of each year and periodically as requested by the Department of Finance. This information is necessary for the Department of Finance to determine the proper beginning balance of the current fiscal year for budgetary purposes. To ensure timely completion of the yearend financial data, the Controller should enforce provisions in Section 12461.2 of the Government Code and emphasize in its regulation the deadline the yearend financial statements are due from the operating departments to the Controller.~~
18. ~~Notwithstanding any other provision of law, the Controller may not expend funds for system integration vendor costs related to the Human Resources Management System (HRMS), also known as the 21st Century Project, after July 31, 2008, beyond the Design Phase Payment Deliverables for the 21st Century Project as set forth in Amendment 1 to Agreement No. 22191025, until the office of the State Chief Information Officer certifies the Controller has entered into a contract or contract amendment with a system integration vendor that is consistent with the most recently approved Special Project Report for HRMS.~~

19. Funding for system integration vendor costs shall not exceed the estimates in the most recently approved Special Project Report for Human Resources Management System (HRMS), also known as the 21st Century Project, unless in the course of contract negotiations the state and the vendor mutually agree that additional functionality is necessary for the successful implementation of the HRMS and these changes are approved by the office of the State Chief Information Officer. However, a contract or contract amendment shall not be executed until 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees of each house of the Legislature that consider appropriations.

20. Notwithstanding the provisions of Item 9840, the Department of Finance may adjust the amounts authorized under Item 0840-001-0001 and Section 25.25, consistent with the funding schedule included in the most recently approved Special Project Report for the Human Resources Management System, also known as the 21st Century Project. No adjustments shall be made pursuant to this provision prior to a 30-day notification in writing to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees of each house of the Legislature that consider appropriations.

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SEC. 12. Item 0840-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

0840-001-0001—For support of the Controller.....	57,576,000
	57,876,000
Schedule:	
(1) 100000-Personal Services.....	103,978,000
	107,366,000
(2) 300000-Operating Expenses and	
Equipment.....	70,106,000
	70,358,000

1	(3) Amount payable from various special	
2	and nongovernmental cost funds (Sec-	
3	tion 25.25).....	-13,500,000
4	(4) Reimbursements.....	-41,497,000
5		-44,837,000
6	(5) Amount payable from the Motor Vehicle	
7	Fuel Account, Transportation Tax Fund	
8	(Item 0840-001-0061).....	-4,095,000
9	(6) Amount payable from the Highway	
10	Users Tax Account, Transportation Tax	
11	Fund (Item 0840-001-0062).....	-1,162,000
12	(7) Amount payable from the Local Rev-	
13	enue Fund (Item 0840-001-0330).....	-591,000
14	(8) Amount payable from the Federal Trust	
15	Fund (Item 0840-001-0890).....	-1,410,000
16	(9) Amount payable from the Public Em-	
17	ployees' Health Care Fund (Item 0840-	
18	001-0822).....	-199,000
19	(10) Amount payable from the State Penalty	
20	Fund (Item 0840-001-0903).....	-1,317,000
21	(11) Amount payable from the Unclaimed	
22	Property Fund (Item 0840-001-	
23	0970).....	-26,103,000
24	(12) Amount payable from various other	
25	unallocated nongovernmental cost funds	
26	(Retail Sales Tax Fund) (Item 0840-	
27	001-0988).....	-242,000
28	(13) Amount payable from the 2006 State	
29	School Facilities Fund (Item 0840-001-	
30	6057).....	-968,000
31	(13.5) Amount payable from the Central	
32	Service Cost Recovery Fund (Item	
33	0840-001-9740).....	-23,971,000
34	(14) Amount payable from other unallocated	
35	special funds (Item 0840-011-0494).....	-73,000
36	(15) Amount payable from unallocated bond	
37	funds (Item 0840-011-0797).....	-478,000
38	(16) Amount payable from various other	
39	unallocated nongovernmental cost funds	
40	(Item 0840-011-0988).....	-68,000

1	(17) Amount payable from the Public	
2	Transportation Account, State Trans-	
3	portation Fund (Section 25.50).....	-18,000
4	(18) Amount payable from the Highway	
5	Users Tax Account, Transportation Tax	
6	Fund (Section 25.50).....	-286,000
7	(19) Amount payable from the Motor Vehi-	
8	cle License Fee Account, Transporta-	
9	tion Tax Fund (Section 25.50).....	-16,000
10	(20) Amount payable from the DMV Local	
11	Agency Collection Fund (Section	
12	25.50).....	-2,000
13	(21) Amount payable from the Trial Court	
14	Trust Fund (Section 25.50).....	-164,000
15	(22) Amount payable from the Timber Tax	
16	Fund (Section 25.50).....	-1,000
17	(23) Amount payable from the Public Safety	
18	Account, Local Public Safety Fund	
19	(Section 25.50).....	-253,000
20	(24) Amount payable from the Local Rev-	
21	enue Fund (Section 25.50).....	-94,000
22	Provisions:	
23	1. The funding provided in Item 0840-001-0970 shall be	
24	in lieu of the appropriation in Section 1564 of the Code	
25	of Civil Procedure for all costs, expenses, or obliga-	
26	tions connected with the administration of the Un-	
27	claimed Property Law, with the exception of payment	
28	of owners' or holders' claims pursuant to Section 1540,	
29	1542, 1560, or 1561 of the Code of Civil Procedure,	
30	or of payment of the costs of compensating contractors	
31	for locating and recovering unclaimed property due	
32	the state.	
33	2. Of the claims received for reimbursement of court-	
34	ordered or voluntary desegregation programs pursuant	
35	to Article 6 (commencing with Section 41540) of	
36	Chapter 3.2 of Part 24 of Division 3 of Title 2 of the	
37	Education Code, the Controller shall pay only those	
38	claims that have been subjected to audit by school	
39	districts in accordance with the Controller's procedures	
40	manual for conducting audits of education desegrega-	

tion claims. Furthermore, the Controller shall pay only those past-year actual claims for desegregation program costs that are accompanied by all reports issued by the auditing entity, unless the auditing entity was the Controller.

3. The Controller may, with the concurrence of the Director of Finance and the Chairperson of the Joint Legislative Budget Committee, bill affected state departments for activities required by Section 20050 of the State Administrative Manual, relating to the administration of federal pass-through funds.

No billing may be sent to affected departments sooner than 30 days after the Chairperson of the Joint Legislative Budget Committee has been notified by the Director of Finance that he or she concurs with the amounts specified in the billings.

4. (a) Notwithstanding subdivision (b) of Section 1531 of the Code of Civil Procedure, the Controller may publish notice in any manner that the Controller determines reasonable, provided that (1) none of the moneys used for this purpose is redirected from funding for the Controller's audit activities, (2) no photograph is used in the publication of notice, and (3) no elected official's name is used in the publication of notice.
- (b) No funds appropriated in this act may be expended by the Controller to provide general information to the public, other than holders (as defined in subdivision (e) of Section 1501 of the Code of Civil Procedure) of unclaimed property, concerning the unclaimed property program or possible existence of unclaimed property held by the Controller's office, except for informational announcements to the news media, through the exchange of information on electronic bulletin boards, or no more than \$50,000 per year to inform the public about this program in activities already organized by the Controller for other purposes. This restriction does not apply to send-

- 1 ing individual notices to property owners (as re-
2 quired by the Code of Civil Procedure).
- 3 5. Of the moneys appropriated to the Controller in this
4 act, the Controller shall not expend more than
5 \$500,000 to conduct posteligibility fraud audits of the
6 Supplemental Security Income/State Supplementary
7 Payment Program.
- 8 6. The Commission on State Mandates shall provide, in
9 applicable parameters and guidelines, as follows:
- 10 (a) If a local agency or school district contracts with
11 an independent contractor for the preparation and
12 submission of reimbursement claims, the costs
13 reimbursable by the state for that purpose shall
14 not exceed the lesser of (1) 10 percent of the
15 amount of the claims prepared and submitted by
16 the independent contractor, or (2) the actual costs
17 that would necessarily have been incurred for that
18 purpose if performed by employees of the local
19 agency or school district.
- 20 (b) The maximum amount of reimbursement provided
21 in subdivision (a) may be exceeded only if the
22 local agency or school district establishes, by ap-
23 propriate documentation, that the preparation and
24 submission of these claims could not have been
25 accomplished without incurring the additional
26 costs claimed by the local agency or school dis-
27 trict.
- 28 7. The funds appropriated to the Controller in this item
29 may not be expended for any performance review or
30 performance audit except pursuant to specific statutory
31 authority. It is the intent of the Legislature that audits
32 conducted by the Controller, or under the direction of
33 the Controller, shall be fiscal audits that focus on
34 claims and disbursements, as provided for in Section
35 12410 of the Government Code. Any report, audit,
36 analysis, or evaluation issued by the Controller for the
37 2008–09 fiscal year shall cite the specific statutory or
38 constitutional provision authorizing the preparation
39 and release of the report, audit, analysis, or evaluation.

- 1 8. The Controller shall deliver his or her monthly report
2 on General Fund cash receipts and disbursements
3 within 10 days after the close of each month to the
4 Joint Legislative Budget Committee, the fiscal com-
5 mittees of the Legislature, the Department of Finance,
6 the Treasurer's office, and the Legislative Analyst's
7 Office.
- 8 9. For purposes of the review and payment of any claim
9 for reimbursement by local government submitted
10 pursuant to Section 54954.4 of the Government Code,
11 the Controller shall use the procedures that were in
12 effect at the time the claim was submitted.
- 13 10. Pursuant to subdivision (c) of Section 1564 of the Code
14 of Civil Procedure, the Controller shall transfer all
15 moneys in the Abandoned Property Account in excess
16 of \$50,000 to the General Fund no less frequently than
17 at the end of each month. This transfer shall include
18 unclaimed Proposition 103 insurance rebate moneys
19 pursuant to Section 1861.01 of the Insurance Code
20 and Section 1523 of the Code of Civil Procedure.
- 21 11. The Controller shall provide to the Department of Fi-
22 nance, the Chairperson of the Joint Legislative Budget
23 Committee, and the chairpersons of the fiscal commit-
24 tees of each house of the Legislature a report that
25 provides the following details by mandate: the level
26 of claims requested; the amount reduced by the initial
27 desk audit; the amount paid; the amount recouped;
28 and the results of a final audit and subsequent funding
29 adjustments. The report is due on June 30, 2009, and
30 will cover the fourth quarter of the 2007–08 fiscal year
31 and the first three quarters of the 2008–09 fiscal year.
- 32 12. To the extent authorized by existing law, the Controller
33 shall recoup the amount of any unallowable mandate
34 claim costs resulting from desk or field audits of such
35 claims.
- 36 13. The Controller's estimate of the state's liability for
37 postemployment benefits prepared to comply with
38 Governmental Accounting Standards Board (GASB)
39 Statement 45 shall include, in addition to all other
40 items required under the accounting statement: (a) an

1 identification and explanation of any significant differ-
2 ences in actuarial assumptions or methodology from
3 any relevant similar types of assumptions or method-
4 ology used by the Public Employees' Retirement
5 System to estimate state pension obligations; and (b)
6 alternative calculations of the state's liability for other
7 postemployment benefits using different long-term
8 rates of investment return consistent with a hypotheti-
9 cal assumption that the state will begin to deposit 100
10 percent or a lesser percent, respectively, of its annual
11 required contribution under GASB Statement 45 to a
12 retiree health and dental benefits trust fund beginning
13 in the 2007–08 fiscal year. This provision shall not
14 obligate the state to change the practice of funding
15 health and dental benefits for annuitants currently re-
16 quired under state law.

- 17 14. The funds appropriated to the Controller in this item
18 may not be expended on additional actuarial valua-
19 tions, beyond the annual actuarial valuation, for other
20 postemployment benefits, prior to obtaining concur-
21 rence in writing from the Department of Finance. The
22 additional actuarial valuations shall only be performed
23 to the extent resources exist, or if funds are provided
24 by the requesting agency.

- 25 15. Notwithstanding any other provision of law, the Direc-
26 tor of Finance may authorize increases or decreases
27 in expenditures for this item to reflect the final lease
28 costs for the Cannery Business Park location and lease
29 costs associated with the federal injunction on the
30 Unclaimed Property Program of the Controller. The
31 Director of Finance may authorize expenditure adjust-
32 ments per this provision not sooner than 30 days after
33 notification in writing of the necessity therefor is pro-
34 vided to the chairpersons of the fiscal committees in
35 each house of the Legislature and the Chairperson of
36 the Joint Legislative Budget Committee, or not sooner
37 than whatever lesser time the chairperson of the joint
38 committee, or his or her designee, may in each instance
39 determine.

- 1 16. The Controller shall provide the Chairperson of the
2 Joint Legislative Budget Committee and the chairper-
3 sons of the fiscal committees in each house of the
4 Legislature a report on the Human Resources Manage-
5 ment System specifying the dollars expended on the
6 program in the previous fiscal year and over the life
7 of the program and any known savings that have oc-
8 curred in the prior fiscal year, to be submitted annually
9 but no later than August 30 of each year. The report
10 should compare the known savings with the most re-
11 cent estimate of projected savings and explain the
12 methodology by which the savings were calculated.
- 13 17. The Controller shall deliver yearend financial data as
14 specified by the Department of Finance, for the fiscal
15 year just ended, in hard copy and electronic format,
16 by October 15 of each year and periodically as request-
17 ed by the Department of Finance. This information is
18 necessary for the Department of Finance to determine
19 the proper beginning balance of the current fiscal year
20 for budgetary purposes. To ensure timely completion
21 of the yearend financial data, the Controller should
22 enforce provisions in Section 12461.2 of the Govern-
23 ment Code and emphasize in its regulation the deadline
24 the yearend financial statements are due from the op-
25 erating departments to the Controller.
- 26 18. Notwithstanding any other provision of law, the Con-
27 troller may not expend funds for system integration
28 vendor costs related to the Human Resources Manage-
29 ment System (HRMS), also known as the 21st Century
30 Project, after July 31, 2008, beyond the Design Phase
31 Payment Deliverables for the 21st Century Project as
32 set forth in Amendment 1 to Agreement No. 22191025,
33 until the office of the State Chief Information Officer
34 certifies the Controller has entered into a contract or
35 contract amendment with a system integration vendor
36 that is consistent with the most recently approved
37 Special Project Report for HRMS.
- 38 19. Funding for system integration vendor costs shall not
39 exceed the estimates in the most recently approved
40 Special Project Report for Human Resources Manage-

ment System (HRMS), also known as the 21st Century Project, unless in the course of contract negotiations the state and the vendor mutually agree that additional functionality is necessary for the successful implementation of the HRMS and these changes are approved by the office of the State Chief Information Officer. However, a contract or contract amendment shall not be executed until 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees of each house of the Legislature that consider appropriations.

20. Notwithstanding the provisions of Item 9840, the Department of Finance may adjust the amounts authorized under Item 0840-001-0001 and Section 25.25, consistent with the funding schedule included in the most recently approved Special Project Report for the Human Resources Management System, also known as the 21st Century Project. No adjustments shall be made pursuant to this provision prior to a 30-day notification in writing to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees of each house of the Legislature that consider appropriations.

SEC. 13. Item 0855-111-0367 of Section 2.00 of the Budget Act of 2008 is amended to read:

0855-111-0367—For transfer by the Controller, upon order of the Director of Finance, from the Indian Gaming Special Distribution Fund, to the Indian Gaming Revenue Sharing Trust Fund..... (50,000,000)

Provisions:

1. The amount of any transfer ordered by the Director of Finance pursuant to this item shall be the minimum amount necessary to allow the Indian Gaming Revenue Sharing Trust Fund to distribute the quarterly payments described in Section 12012.90 of the Government Code and meet its other expenditure requirements. Any remaining portion of the amount authorized to be

transferred pursuant to this item shall remain in the Indian Gaming Special Distribution Fund.

2. The Legislature finds and declares that the amount authorized in this item is expected to be sufficient to allow the Indian Gaming Revenue Sharing Trust Fund to distribute the quarterly payments described in Section 12012.90 of the Government Code during the 2008–09 fiscal year. Accordingly, the California Gambling Control Commission, acting for this purpose as the state gaming agency under various tribal-state compacts, shall not direct any funds to the Indian Gaming Revenue Sharing Trust Fund pursuant to Section 4.3.1(*l*) of the amended tribal-state compacts with the Morongo Band of Mission Indians, the Pechanga Band of Luiseño Indians, the San Manuel Band of Mission Indians, and the Sycuan Band of the Kumeyaay Nation and similar sections of any compacts or amended compacts ratified by the Legislature in the 2008–09 fiscal year.

3. The Chairperson of the California Gambling Control Commission shall immediately submit a report to the Director of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Legislative Analyst if he or she determines that the Indian Gaming Revenue Sharing Trust Fund will not have sufficient funds to distribute the quarterly payments described in Section 12012.90 of the Government Code during the 2008–09 fiscal year after consideration of the funds authorized for transfer by this item. No earlier than 15 days after submission of that report, the California Gambling Control Commission may direct funds to the Indian Gaming Revenue Sharing Trust Fund, notwithstanding the requirements of Provision 2.

SEC. 13.5. Item 0890-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

0890-001-0001—For support of Secretary of State.....	31,380,000
	36,380,000

1	Schedule:	
2	(1) 10-Filings and Registrations.....	49,025,000
3	(2) 20-Elections.....	61,483,000
4		66,483,000
5	(3) 30-Archives.....	10,499,000
6	(4) 50.01-Administration and Technolo-	
7	gy.....	23,590,000
8	(5) 50.02-Distributed Administration and	
9	Technology.....	-23,590,000
10	(6) Reimbursements.....	-7,339,000
11	(7) Amount payable from the Secretary of	
12	State's Business Fees Fund (Item 0890-	
13	001-0228).....	-38,936,000
14	(8) Amount payable from the Federal Trust	
15	Fund (Item 0890-001-0890).....	-41,674,000
16	(9) Amount payable from the Victims of	
17	Corporate Fraud Compensation Fund	
18	(Item 0890-001-3042).....	-1,678,000
19	Provisions:	
20	1. The Secretary of State may not expend any special	
21	handling fees authorized by Chapter 999 of the Statutes	
22	of 1999 which are collected in excess of the cost of	
23	administering those special handling fees unless	
24	specifically authorized by the Legislature.	
25	2. Of the amounts appropriated in this item, \$41,674,000	
26	shall be used for operational costs associated with	
27	implementation of the Help America Vote Act of 2002	
28	(42 U.S.C. Sec. 15301 et seq.).	
29	3. <i>Of the amount appropriated in this item, \$5,000,000</i>	
30	<i>shall be used for costs associated with the November</i>	
31	<i>4, 2008, statewide general election.</i>	

32
 33 SEC. 14. Item 0950-001-0001 of Section 2.00 of the Budget
 34 Act of 2008 is amended to read:

35		
36	0950-001-0001—For support of the Treasurer.....	4,667,000
37	Schedule:	
38	(1) 100000-Personal Services.....	21,467,000
39	(2) 300000-Operating Expenses and	
40	Equipment.....	6,381,000

(2.5) Unallocated Reduction.....	-506,000
(3) Reimbursements.....	-20,586,000
(5) Amount payable from the Central Ser-	
vice Cost Recovery Fund (Item 0950-	
001-9740).....	-2,089,000

Provisions:

1. The Director of Finance may authorize a loan from the General Fund, in an amount not to exceed the level of reimbursements appropriated in Schedule (3) to the Treasurer's office, provided that:
 - (a) The loan is to meet cash needs resulting from a delay in receipt of reimbursements.
 - (b) The loan is short term, and shall be repaid within two months.
 - (c) Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code.
 - (d) The Director of Finance shall not approve the loan unless the approval is made in writing and filed with the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider appropriations not later than 30 days prior to the effective date of the approval, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may determine.
 - (e) At the end of the two-month term of the loan, the Treasurer's office shall notify the Chairperson of the Joint Legislative Budget Committee whether the Treasurer's office has repaid the loan pursuant to subdivision (b).

SEC. 15. Item 1760-001-0666 of Section 2.00 of the Budget Act of 2008 is amended to read:

1760-001-0666—For support of Department of General Services,	
payable from the Service Revolving Fund.....	501,882,000
Schedule:	
(1) Program support.....	1,085,822,000

1	(2) Distributed services.....	-11,145,000
2	(3) Reimbursements—Lease revenue.....	-43,000
3	(4) Reimbursements—FI\$Cal.....	-2,380,000
4	(5) Amount payable from the General Fund	
5	(Item 1760-001-0001).....	-9,833,000
6	(6) Amount payable from the General Fund	
7	(Item 1760-002-0001).....	-346,000
8	(7) Amount payable from the Property Ac-	
9	quisition Law Money Account (Item	
10	1760-001-0002).....	-3,247,000
11	(8) Amount payable from the Motor Vehicle	
12	Parking Facilities Moneys Account	
13	(Item 1760-001-0003).....	-2,404,000
14	(9) Amount payable from the State Emer-	
15	gency Telephone Number Account	
16	(Item 1760-001-0022).....	-2,471,000
17	(10) Amount payable from the State Motor	
18	Vehicle Insurance Account (Item 1760-	
19	001-0026).....	-6,066,000
20	(11) Amount payable from the Seismic Gas	
21	Valve Certification Fee Account (Item	
22	1760-001-0450).....	-75,000
23	(12) Amount payable from the Energy Re-	
24	sources Programs Account (Item 1760-	
25	001-0465).....	-1,659,000
26	(13) Amount payable from the Architecture	
27	Revolving Fund (Item 1760-001-	
28	0602).....	-43,632,000
29	(14) Amount payable from the State School	
30	Building Aid Fund (Item 1760-001-	
31	0739).....	-297,000
32	(15) Amount payable from the State School	
33	Deferred Maintenance Fund (Item	
34	1760-001-0961).....	-159,000
35	(16) Amount payable from the 2006 State	
36	School Facilities Fund (Item 1760-	
37	001-6057).....	-14,253,000
38	(17) Amount payable from the Motor Vehi-	
39	cle Parking Facilities Moneys Account	
40	(Item 1760-002-0003).....	-1,102,000

- 1 (18) Amount payable from the Service
- 2 Revolving Fund (Item 1760-002-
- 3 0666)..... -156,455,000
- 4 (19) Amount payable from the Service Re-
- 5 volving Fund (Item 1760-003-
- 6 0666)..... -14,498,000
- 7 (20) Amount payable from the Service
- 8 Revolving Fund (Item 1760-004-
- 9 0666)..... -313,875,000

10 Provisions:

- 11 1. Notwithstanding any other provision of law, revenues
- 12 from the sale of legislative bills and publications re-
- 13 ceived by the Legislative Bill Room shall be deposited
- 14 in the Service Revolving Fund.
- 15 2. Notwithstanding any other provision of law, if the
- 16 Director of General Services determines in writing
- 17 that there is insufficient cash in a special fund under
- 18 his or her authority to make one or more payments
- 19 currently due and payable, he or she may order the
- 20 transfer of moneys to that special fund in the amount
- 21 necessary to make payment or payments, as a loan
- 22 from the Service Revolving Fund. That loan shall be
- 23 subject to all of the following conditions:
- 24 (a) No loan shall be made that would interfere with
- 25 carrying out the object for which the Service Re-
- 26 volving Fund was created.
- 27 (b) The loan shall be repaid as soon as there are suf-
- 28 ficient moneys in the recipient fund to repay the
- 29 amount loaned, but no later than 18 months after
- 30 the date of the loan. The amount loaned shall not
- 31 exceed the amount that the fund or program is
- 32 authorized at the time of the loan to expend during
- 33 the 2008-09 fiscal year from the recipient fund
- 34 except as otherwise provided in Provisions 4, 5,
- 35 and 6.
- 36 (c) The terms and conditions of the loan are approved,
- 37 prior to the transfer of funds, by the Department
- 38 of Finance pursuant to appropriate fiscal stan-
- 39 dards.

- 1 3. The Director of General Services may augment this
2 item or any of Items 1760-001-0002, 1760-001-0003,
3 1760-001-0026, and 1760-001-0602, by up to an ag-
4 gregate of 10 percent in cases where (a) the Legislature
5 has approved funds for a customer for the purchase of
6 services or equipment through the Department of
7 General Services (DGS) and the corresponding expen-
8 diture authority has not been provided in this item or
9 (b) a local government entity or the federal government
10 has requested services from the DGS. Any augmenta-
11 tion that is deemed to be necessary on a permanent
12 basis shall be submitted for review as part of the nor-
13 mal budget development process. If the Director of
14 General Services augments this item or Item 1760-
15 001-0002, 1760-001-0003, 1760-001-0026, or 1760-
16 001-0602, the DGS shall notify the Department of Fi-
17 nance within 30 days after that augmentation is made
18 as to the amount, justification, and the program aug-
19 mented. Any augmentation made in accordance with
20 this provision shall not result in an increase in any rate
21 charged to other departments for services or the pur-
22 chase of goods without the prior written consent of
23 the Department of Finance. The Director of General
24 Services shall not use this provision to augment this
25 item or Item 1760-001-0002, 1760-001-0003, 1760-
26 001-0026, or 1760-001-0602 for costs that the Depart-
27 ment of General Services had knowledge of in time
28 to include in the May Revision.
- 29 4. If this item or Item 1760-001-0002, 1760-001-0003,
30 1760-001-0026, or 1760-001-0602 is augmented pur-
31 suant to Provision 3 by the maximum allowed under
32 that provision, the Director of Finance may further
33 augment the item or items in cases where (a) the Leg-
34 islature has approved funds for a customer for the
35 purchase of services or equipment through the Depart-
36 ment of General Services (DGS) and the corresponding
37 expenditure authority has not been provided in these
38 items, or (b) a local government entity or the federal
39 government has requested services from the DGS. Any
40 augmentation that is deemed to be necessary on a

1 permanent basis shall be submitted for review as part
2 of the normal budget development process. The Direc-
3 tor of Finance shall not use this provision to augment
4 this item or Item 1760-001-0002, 1760-001-0003,
5 1760-001-0026, or 1760-001-0602 for costs that the
6 Departments of Finance or General Services had
7 knowledge of in time to include in the May Revision.

8 5. The Director of General Services may augment this
9 item and Items 1760-001-0003 and 1760-001-0026 to
10 increase authorized expenditures by the Office of State
11 Publishing, the Office of Risk and Insurance Manage-
12 ment, the Office of Fleet Administration, the Office
13 of Energy Management, and the Office of Public
14 Safety Radio Services. The augmentation shall be for
15 the specific purpose of enabling the Office of State
16 Publishing, the Office of Risk and Insurance Manage-
17 ment, the Office of Fleet Administration, the Energy
18 Services Program, and the Office of Public Safety
19 Radio Services to provide competitive services to their
20 customers (including local government entities or the
21 federal government) and may be made only if the of-
22 fice has sufficient operating reserves available to fund
23 the augmentation. If the Director of General Services
24 proposes to augment either of the items in this provi-
25 sion, the director shall notify the Department of Fi-
26 nance, the chairpersons of the fiscal committees of
27 each house of the Legislature, and the Chairperson of
28 the Joint Legislative Budget Committee 30 days prior
29 to making the augmentation, including the amount,
30 justification, and the office augmented. Any augmen-
31 tation that is deemed to be necessary on a permanent
32 basis shall be submitted for review as part of the nor-
33 mal budget development process.

34 6. Any augmentation made pursuant to Provisions 3 and
35 4 shall be reported in writing to the chairpersons of
36 the fiscal committees of each house of the Legislature
37 and the Chairperson of the Joint Legislative Budget
38 Committee within 30 days of the date the augmentation
39 is approved. This notification shall be provided in a
40 format consistent with normal budget change requests,

1 including identification of the amount of, and justifi-
2 cation for, the augmentation, and the program that has
3 been augmented. Copies of the notification shall be
4 provided to the Department of Finance.

5 7. Notwithstanding any other provision of law, the Direc-
6 tor of General Services or his or her designee, in lieu
7 of the Director of Finance, is authorized to approve
8 Budget Revision, Standard Form 26, subject to a copy
9 being provided to the Department of Finance.

10 8. Notwithstanding any other provision of law, due to
11 the inability to issue energy efficiency revenue bonds
12 pursuant to Chapter 2.7 (commencing with Section
13 15814.10) of Part 10b of Division 3 of Title 2 of the
14 Government Code, in order to repay the General Fund
15 for the cost of completing energy efficiency projects
16 on specified buildings, the Department of General
17 Services shall, within 10 fiscal years, recover an
18 amount sufficient to repay the costs associated with
19 completed energy efficiency projects plus 5-percent
20 interest, through utility rates charged to tenants. On
21 August 1 of each fiscal year beginning with the
22 2005–06 fiscal year, the Department of General Ser-
23 vices shall transfer that amount to the General Fund.
24 Once the General Fund has been fully repaid, the De-
25 partment of General Services shall adjust utility rates
26 for all tenants to accurately reflect the current rates.

27 9. The Director of Finance is authorized to increase this
28 item for purposes of funding tenant improvement
29 projects to facilitate the backfill of vacant space within
30 stand-alone Department of General Services (DGS)
31 bond-funded office buildings. This provision shall
32 only be used to augment expenditure authority for
33 DGS stand-alone individual rate office buildings where
34 a \$.03 tenant improvement surcharge has been ap-
35 proved by the Department of Finance and is included
36 in the monthly rental rate. Department of Finance ap-
37 proval is contingent upon justification for the proposed
38 tenant improvement projects to be provided by the
39 DGS including an analysis of cost impacts and how
40 the tenant improvements will improve the state's uti-

lization of the facility. Any augmentation made in accordance with this provision shall not result in an increase in any rate charged to other departments for services without the prior written consent of the Department of Finance. Any augmentation made pursuant to this provision may be authorized not sooner than 30 days after notification in writing to the chairpersons of the fiscal committees of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee.

10. Notwithstanding subdivision (c) of Section 34 of Chapter 127 of the Statutes of 2000, the Department of General Services is authorized to pay Hearn Construction Company of Vacaville, California, up to \$498,000 for claims arising from the renovation of the Lincoln Theater in Yountville, California.

SEC. 16. Item 1880-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

1880-001-0001—For support of State Personnel Board..... 1,936,000

Schedule:

- (1) 10-Merit System Administration..... 20,365,000
- (2) 40-Local Government Services..... 2,937,000
- (3) 50.01-Administration Services..... 4,042,298
- (4) 50.02-Distributed Administration Services..... -1,959,298
- (5) Reimbursements..... -20,064,000
- (6) Amount payable from the Central Service Cost Recovery Fund (Item 1880-001-9740)..... -3,385,000

Provisions:

1. Notwithstanding any other provision of law, the Director of Finance may authorize a loan from the General Fund, in an amount not to exceed 35 percent of reimbursements appropriated in this item to the State Personnel Board, provided that:
 - (a) The loan is to meet cash needs resulting from the delay in receipt of reimbursements for services provided.

- (b) The loan is for a short term and shall be repaid by September 30, 2009.
- (c) Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code.
- (d) The Director of Finance may not approve the loan unless the approval is made in writing and filed with the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider appropriations not later than 30 days prior to the effective date of the approval, or not sooner than whatever lesser time that the chairperson of the joint committee, or his or her designee, may determine.

SEC. 17. Item 1955-001-9730 of Section 2.00 of the Budget Act of 2008 is amended to read:

1955-001-9730—For support of Department of Technology Services, payable from the Department of Technology Services Revolving Fund..... 278,223,000

Schedule:

- (1) 10-Administration of Technology Services..... 278,582,000
- (2) Reimbursements..... -359,000

Provisions:

- 1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the Department of Technology Services in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.
- 2. Expenditure authority provided in this item to support data center infrastructure projects may not be utilized

for items outside the approved project scope. In addition, the Department of Technology Services shall report to the office of the State Chief Information Officer actual expenditures associated with the projects when purchase agreements have been executed. Changes in project scope must receive approval using the established administrative and legislative reporting requirements.

3. The Department of General Services, with the consent of the Department of Technology Services, may enter into a lease, lease-purchase agreement, or lease with an option to purchase for a build-to-suit facility to develop a data center in the central valley, subject to Department of Finance approval of the terms and conditions of the agreement. At least 30 days prior to entering into any agreement, the Department of General Services shall notify the chairpersons of the committees in each house of the Legislature that consider appropriations and the Joint Legislative Budget Committee of the terms and conditions of the agreement. This notification shall include an analysis of the associated rate impact to customer department invoices. If the Joint Legislative Budget Committee does not express any opposition, the Department of General Services may proceed with the agreement after 30 days from when the Department of General Services gave notice to the chairpersons.

~~SEC. 18. Item 2640-101-0046 of Section 2.00 of the Budget Act of 2008 is amended to read:~~

~~2640-101-0046—For local assistance, State Transit Assistance, for allocation by the Controller pursuant to Section 99312 of the Public Utilities Code, payable from the Public Transportation Account, State Transportation Fund..... 306,434,000~~

~~Provisions:~~

- ~~1. Notwithstanding Sections 99313 and 99314 of the Public Utilities Code, not more than \$60,397 of the amount appropriated in this item shall be used to reim-~~

~~burse the Controller for expenditures of administration
of State Transit Assistance funds.~~

*SEC. 18. Item 2640-101-0046 of Section 2.00 of the Budget
Act of 2008 is amended to read:*

2640-101-0046—For local assistance, State Transit Assistance,
for allocation by the Controller pursuant to Section 99312
of the Public Utilities Code, payable from the Public
Transportation Account, State Transportation Fund..... 559,015,000
406,434,000

Provisions:

1. Notwithstanding Sections 99313 and 99314 of the
Public Utilities Code, not more than \$60,397 of the
amount appropriated in this item shall be used to reim-
burse the Controller for expenditures of administration
of State Transit Assistance funds.

*SEC. 19. Item 2660-001-0042 of Section 2.00 of the Budget
Act of 2008 is amended to read:*

2660-001-0042—For support of Department of Transporta-
tion, payable from the State Highway Account, State
Transportation Fund..... 2,545,975,000

Schedule:

- (1) 10-Aeronautics..... 3,636,000
- (2) 20.10-Highway Transportation—
Capital Outlay Support..... 1,657,615,000
- (3) 20.30-Highway Transportation— Local
Assistance..... 43,964,000
- (4) 20.40-Highway Transportation— Pro-
gram Development..... 76,077,000
- (5) 20.65-Highway Transportation— Le-
gal..... 79,744,000
- (6) 20.70-Highway Transportation— Op-
erations..... 200,891,000
- (7) 20.80-Highway Transportation—
Maintenance..... 1,194,216,000
- (8) 30-Mass Transportation..... 130,033,000
- (9) 40-Transportation Planning..... 110,543,000

1	(10) 50.00-Administration.....	421,974,000
2	(11) 60.10-Equipment Service Program	
3	Costs.....	215,429,000
4	(11.5) 60.20-Distributed Equipment Ser-	
5	vice Program Costs.....	-215,429,000
6	(12) Reimbursements.....	-341,778,000
7	(13) Amount payable from the Aeronautics	
8	Account, State Transportation Fund	
9	(Item 2660-001-0041).....	-3,596,000
10	(14) Amount payable from the Bicycle	
11	Transportation Account, State Trans-	
12	portation Fund (Item 2660-001-	
13	0045).....	-10,000
14	(15) Amount payable from the Public	
15	Transportation Account, State	
16	Transportation Fund (Item 2660-001-	
17	0046).....	-149,775,000
18	(16) Amount payable from the Historic	
19	Property Maintenance Fund (Item 2660-	
20	001-0365).....	-1,590,000
21	(16.5) Amount payable from the Seismic	
22	Retrofit Bond Fund of 1996 (Section	
23	8879.3 of the Government Code).....	-5,331,000
24	(17) Amount payable from the Federal	
25	Trust Fund (Item 2660-001-0890)....	-524,280,000
26	(18) Amount payable from the Transporta-	
27	tion Financing Subaccount, State	
28	Highway Account, State Transportation	
29	Fund (Item 2660-001-6801).....	-784,000
30	(18.5) Amount payable from the Trans-	
31	portation Investment Fund (Item	
32	2660-002-3008).....	-236,007,000
33	(19) Amount payable from the State Route	
34	99 Account, Highway Safety, Traffic	
35	Reduction, Air Quality, and Port Secu-	
36	rity Fund of 2006 (Item 2660-004-	
37	6072).....	-4,487,000

1	(21) Amount payable from the Corridor	
2	Mobility Improvement Account,	
3	Highway Safety, Traffic Reduction,	
4	Air Quality, and Port Security Fund of	
5	2006 (Item 2660-004-6055).....	-23,190,000
6	(22) Amount payable from the Trade Corri-	
7	dors Improvement Fund (Item 2660-	
8	004-6056).....	-3,511,000
9	(23) Amount payable from the Transporta-	
10	tion Facilities Account, Highway	
11	Safety, Traffic Reduction, Air Quality,	
12	and Port Security Fund of 2006 (Item	
13	2660-004-6058).....	-55,726,000
14	(24) Amount payable from the Public	
15	Transportation Modernization, Improve-	
16	ment, and Service Enhancement Ac-	
17	count, Highway Safety, Traffic Reduc-	
18	tion, Air Quality, and Port Security	
19	Fund of 2006 (Item 2660-004-6059)....	-1,303,000
20	(24.5) Amount payable from the State-Local	
21	Partnership Program Account, High-	
22	way Safety, Traffic Reduction, Air	
23	Quality, and Port Security Fund of	
24	2006 (Item 2660-004-6060).....	-496,000
25	(26) Amount payable from the Local Bridge	
26	Seismic Retrofit Account, Highway	
27	Safety, Traffic Reduction, Air Quality,	
28	and Port Security Fund of 2006 (Item	
29	2660-004-6062).....	-91,000
30	(27) Amount payable from the Highway-	
31	Railroad Crossing Safety Account,	
32	Highway Safety, Traffic Reduction, Air	
33	Quality, and Port Security Fund of 2006	
34	(Item 2660-004-6063).....	-621,000
35	(28) Amount payable from the Highway	
36	Safety, Rehabilitation, and Preserva-	
37	tion Account, Highway Safety, Traffic	
38	Reduction, Air Quality, and Port Secu-	
39	rity Fund of 2006 (Item 2660-004-	
40	6064).....	-20,142,000

Provisions:

1. Notwithstanding any other provision of law, funds appropriated in this item from the State Highway Account may be reduced and replaced by an equivalent amount of federal funds determined by the Department of Transportation to be available and necessary to comply with Section 8.50 and the most effective management of state transportation resources. Not more than 30 days after replacing the state funds with federal funds, the Director of Finance shall notify in writing the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee of this action.
2. Notwithstanding any other provision of law, funding appropriated in this item may be transferred to Item 2660-005-0042 to pay for any necessary insurance, debt service, and other financing-related expenditures for Department of Transportation-owned office buildings. Any transfer will require the prior approval of the Department of Finance.
3. The funds appropriated in Schedule (2) for external consultant and professional services related to project delivery (also known as 232 contracts) that are unencumbered or encumbered but unexpended related to work that will not be performed during the fiscal year shall revert to the fund from which they were appropriated.
4. Notwithstanding any other provision of law, funds appropriated in this item may be supplemented with federal funding appropriation authority and with prior fiscal year State Highway Account appropriation balances at a level determined by the Department of Transportation as required to process claims utilizing federal advance construction through the plan of financial adjustment process pursuant to Sections 11251 and 16365 of the Government Code.
5. Notwithstanding any other provision of law, funds appropriated in Item 2660-001-0042, 50.00-Administration from the State Highway Account, may be re-

duced and replaced by an equivalent amount of reimbursements determined by the Department of Transportation to be available and necessary to comply with Section 28.50 and the most effective management of state transportation resources. The reimbursements may also be reduced and replaced by an equivalent amount of funds from the State Highway Account. Not more than 30 days after replacing the State Highway Account funds with reimbursements and vice versa, the Director of Finance shall notify in writing the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee of this action.

6. Not more than \$1,400,000 appropriated in this item is available for support of the Department of Transportation's Owner Controlled Insurance Program to administer insurance coverage for contractors on projects with combined total costs not to exceed \$750,000,000.
7. Of the funds appropriated in this item, \$214,000,000 is for major maintenance contracts for the preservation of highway pavement, and shall not be used to supplant any other funding that would have been used for major pavement maintenance.
8. Of the funds appropriated in Schedule (5), \$48,556,000 is for the payment of tort lawsuit claims and awards. Any funds for that purpose that are unencumbered as of April 1, 2009, may be transferred to Item 2660-302-0042. Any transfer shall require the prior approval of the Department of Finance.
9. Of the funds appropriated in this item, transfers shall be available to Items 2660-004-6055, 2660-004-6056, 2660-004-6058, 2660-004-6059, 2660-004-6060, 2660-004-6062, 2660-004-6063, 2660-004-6064, and 2660-004-6072. The Department of Finance shall authorize the transfer not sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee.

10. Of the funds appropriated in Schedule (7), \$5,000,000 shall be used to implement a parolee employment program to pick up and remove litter along state highways. The Department of Transportation will evaluate the effectiveness of the parolee program and present its findings to the Joint Legislative Budget Committee by July 1, 2010. The report shall also include a summary and evaluation of the overall litter program, including information and enforcement activities, which the Department of Transportation shall compile in coordination with the Department of the California Highway Patrol.
11. Of the funds appropriated in Schedule (7), \$2,301,000 shall be used to purchase three Balsi Beam systems and three barrier guard systems to increase worker safety.
12. Of the funds appropriated in Schedule (7), \$809,000 shall be used for traffic control operations for the opening of the first segment of the managed lanes project on I-15 in San Diego County.

SEC. 20. Item 2660-104-6059 of Section 2.00 of the Budget Act of 2008 is amended to read:

2660-104-6059—For local assistance, Department of Transportation, payable from the Public Transportation Modernization, Improvement, and Service Enhancement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 1,000

Schedule:

(1) 30-Mass Transportation..... 1,000

Provisions:

1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.
2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-304-6059. These transfers require the prior approval of the Department of Finance.

- 1 3. (a) Funds made available in this item for capital im-
2 improvements to the state’s intercity rail program,
3 including the purchase of new rolling stock, are
4 necessary to implement a specific provision of
5 the Highway Safety, Traffic Reduction, Air
6 Quality, and Port Security Bond Act of 2006, as
7 that act was approved by the voters of the State
8 of California.
- 9 (b) From the Highway Safety, Traffic Reduction, Air
10 Quality, and Port Security Bond Act of 2006,
11 paragraph (2) of subdivision (f) of Section
12 8879.23 of the Government Code makes funds
13 available, upon appropriation by the Legislature,
14 for intercity rail improvements “including the
15 procurement of additional intercity railcars and
16 locomotives.”
- 17 (c) It is the intent of the Legislature that funds appro-
18 priated for this purpose be spent prudently and
19 expeditiously to enhance the state’s intercity rail
20 service.
- 21 (d) It is further the intent of the Legislature that dur-
22 ing the 2008–09 fiscal year, and not later than
23 June 30, 2009, the Department of Transportation
24 shall release a Request for Proposal for the pro-
25 curement of rolling stock equipment as provided
26 for in paragraph (2) of subdivision (f) of Section
27 8879.23 of the Government Code.
- 28 (e) No later than January 1, 2009, the department
29 shall provide a report to the Joint Legislative
30 Budget Committee, describing the activities the
31 department has undertaken to allocate the funds
32 made available to it in this item.

33
34 SEC. 21. Item 2660-304-6059 of Section 2.00 of the Budget
35 Act of 2008 is amended to read:

2660-304-6059—For capital outlay, Department of Transportation, payable from the Public Transportation, Modernization, Improvement, and Service Enhancement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 70,999,000

Schedule:

(1) 30-Mass Transportation..... 70,999,000

Provisions:

1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.
2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-104-6059 upon the prior approval of the Department of Finance.
4. (a) Funds made available in this item for capital improvements to the state's intercity rail program, including the purchase of new rolling stock, are necessary to implement a specific provision of the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, as that act was approved by the voters of California.
- (b) From the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, paragraph (2) of subdivision (f) of Section 8879.23 of the Government Code makes funds available, upon appropriation by the Legislature, for intercity rail improvements "including the procurement of additional intercity railcars and locomotives."
- (c) It is the intent of the Legislature that funds appropriated for this purpose be spent prudently and expeditiously to enhance the state's intercity rail service.
- (d) It is further the intent of the Legislature that during the 2008–09 fiscal year, and not later than June 30, 2009, the Department of Transportation shall release a Request for Proposal for the procurement of rolling stock equipment as provided

for in paragraph (2) of subdivision (f) of Section 8879.23 of the Government Code.

- (e) No later than January 1, 2009, the department shall provide a report to the Joint Legislative Budget Committee, describing the activities the department has undertaken to allocate the funds made available to it in this item.

SEC. 22. Item 2660-492 of Section 2.00 of the Budget Act of 2008 is amended to read:

2660-492—Reappropriation, Department of Transportation.

The amounts specified in the following citations are reappropriated for the purposes provided for in the appropriations and are available for encumbrance or expenditure until June 30, 2009:

0042—State Highway Account, State Transportation Fund

- (1) Item 2660-001-0042, Budget Act of 2001 (Ch. 106, Stats. 2001), as reappropriated by Item 2660-492, Budget Act of 2002 (Ch. 379, Stats. 2002), Budget Act of 2003 (Ch. 157, Stats. 2003), Budget Act of 2004 (Ch. 208, Stats. 2004), Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), 20.10-Highway Transportation—Capital Outlay Support, up to \$7,057,000 shall be available for the Project Resourcing and Schedule Management System.

- (2) Item 2660-001-0042, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), 20.10-Highway Transportation—Capital Outlay Support, up to \$4,515,000 shall be available for the Project Resourcing and Schedule Management System.

- (3) Item 2660-304-6059, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), up to \$186,999,000 shall be available.

- (4) Item 2660-104-6059, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), up to \$1,000 shall be available.

Provisions:

1. Notwithstanding any other provision of law, funds appropriated in Schedule (1) or (2) may be increased by up to \$5,000,000 upon approval of the Director of Finance.
2. The funds available in Schedules (3) and (4) may be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2013. Provision 3 of Item 2660-304-6059, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), and Provision 3 of Item 2660-104-6059, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), shall not apply to the reappropriated funds.
3. Notwithstanding any other provision of law, funds appropriated in Schedule (3) may be transferred to Item 2660-104-6059 upon approval of the Department of Finance.
4. Notwithstanding any other provision of law, funds appropriated in Schedule (4) may be transferred to Item 2660-304-6059 upon approval of the Department of Finance.
5. (a) Funds made available in this item for capital improvements to the state's intercity rail program, including the purchase of new rolling stock, are necessary to implement a specific provision of the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, as that act was approved by the voters of the State of California.
(b) From the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, paragraph (2) of subdivision (f) of Section 8879.23 of the Government Code makes funds available, upon appropriation by the Legislature, for intercity rail improvements "including the procurement of additional intercity railcars and locomotives."
(c) It is the intent of the Legislature that funds appropriated for this purpose be spent prudently and

expeditiously to enhance the state's intercity rail service.

(d) It is further the intent of the Legislature that during the 2008–09 fiscal year, and not later than June 30, 2009, the Department of Transportation shall release a Request for Proposal for the procurement of rolling stock equipment as provided for in paragraph (2) of subdivision (f) of Section 8879.23 of the Government Code.

(e) No later than January 1, 2009, the department shall provide a report to the Joint Legislative Budget Committee, describing the activities the department has undertaken to allocate the funds made available to it in this item.

~~SEC. 23. Item 3790-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:~~

~~3790-001-0001—For support of Department of Parks and Recreation..... 149,124,000~~

~~Schedule:~~

~~(1) For support of the Department of Parks and Recreation..... 435,009,000~~

~~(2) Reimbursements..... -33,441,000~~

~~(3) Less funding provided by capital outlay..... -4,000,000~~

~~(4) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3790-001-0005)..... -5,057,000~~

~~(4.5) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3790-001-0044)..... -910,000~~

~~(5) Amount payable from the California Environmental License Plate Fund (Item 3790-001-0140)..... -3,023,000~~

~~(6) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3790-001-0235)..... -10,098,000~~

1	(7) Amount payable from the Off-Highway	
2	Vehicle Trust Fund (Item 3790-001-	
3	0263).....	-64,243,000
4	(8) Amount payable from the State Parks	
5	and Recreation Fund (Item 3790-001-	
6	0392).....	-123,804,000
7	(9) Amount payable from the Winter	
8	Recreation Fund (Item 3790-001-	
9	0449).....	-353,000
10	(10) Amount payable from the Harbors and	
11	Watercraft Revolving Fund (Item 3790-	
12	001-0516).....	-2,168,000
13	(11) Amount payable from the Federal Trust	
14	Fund (Item 3790-001-0890).....	-6,335,000
15	(11.5) Amount payable from the Emergency	
16	Response Account (Item 3790-001-	
17	1014).....	-3,000,000
18	(12) Amount payable from the California	
19	Main Street Program Fund (Item 3790-	
20	001-3077).....	-175,000
21	(13) Amount payable from the California	
22	Clean Water, Clean Air, Safe Neighbor-	
23	hood Parks, and Coastal Protection	
24	Fund (Item 3790-001-6029).....	-4,555,000
25	(14) Amount payable from the Water Secu-	
26	rity, Clean Drinking Water, Coastal and	
27	Beach Protection Fund of 2002 (Item	
28	3790-001-6031).....	-435,000
29	(15) Amount payable from Safe Drinking	
30	Water, Water Quality and Supply,	
31	Flood Control, River and Coastal Pro-	
32	tection Fund of 2006 (Item 3790-001-	
33	6051).....	-12,020,000
34	(16) Amount payable from Safe Drinking	
35	Water, Water Quality and Supply,	
36	Flood Control, River and Coastal Pro-	
37	tection Fund of 2006 (Item 3790-002-	
38	6051).....	-12,268,000

Provisions:

1. ~~Of the funds appropriated by this act from the General Fund and special funds, other than the Off-Highway Vehicle Trust Fund and bond funds, to the Department of Parks and Recreation for local assistance grants to local agencies, the department may allocate an amount not to exceed 3.7 percent of each project's allocation, except to the extent otherwise restricted by law, to allow the department to administer its grants. Those funds shall be available for encumbrance or expenditure until June 30, 2014.~~
2. ~~It is the intent of the Legislature that salaries, wages, operating expenses, and positions associated with implementing specific Department of Parks and Recreation capital outlay projects continue to be funded through capital outlay appropriations, and that these funds should also be reflected in the department's state operations budget in the Governor's Budget as a special item of expense reflecting the funding provided from the capital outlay appropriations.~~
3. ~~Notwithstanding any other provision of law, the Director of Finance may authorize a loan from the General Fund, in an amount not to exceed 35 percent of reimbursements appropriated in this item to the Department of Parks and Recreation, provided that:~~
 - (a) ~~The loan is to meet cash needs resulting from the delay in receipt of reimbursements for services provided.~~
 - (b) ~~The loan is for a short term and shall be repaid by September 30, 2009.~~
 - (c) ~~Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code.~~
 - (d) ~~The Director of Finance may not approve the loan unless the approval is made in writing and filed with the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider appropriations not later than 30 days prior to the effective date of the approval, or not~~

sooner than whatever lesser time that the chairperson of the joint committee, or his or her designee, may determine.

4. The Department of Parks and Recreation is authorized to enter into a contract for fee collection and other services required by the department with a cooperative association that has and will continue to fund state employees on an ongoing basis.

5. Of the amount appropriated in this item, \$4,001,000 General Fund and \$1,000,000 Proposition 84 funds shall be used for continued remediation and treatment activities at Empire Mine State Historic Park. Upon approval and order of the Director of Finance, the Controller shall adjust the amount included in this item for remediation activities at Empire Mine based on the status or result of the mediation between the Department of Parks and Recreation and the Newmont Mining Company. Any adjustment for this purpose may be authorized no sooner than 30 days after written notification to the Chairperson of the Joint Legislative Budget Committee.

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SEC. 24. Item 3790-001-1014 is added to Section 2.00 of the Budget Act of 2008, to read:

3790-001-1014—For support of the Department of Parks and Recreation, for payment to Item 3790-001-0001, payable from the Emergency Response Account.....	3,000,000
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SEC. 23. Item 3540-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

3540-001-0001—For support of Department of Forestry and Fire Protection.....	511,295,000
	560,045,000

Schedule:

(1) 10-Office of the State Fire Marshal.....	20,788,000
	20,442,000
(2) 11-Fire Protection.....	910,409,000
	880,623,000

1	(3) 12-Resource Management.....	62,597,000
2	(3.5) Board of Forestry.....	449,000
3	(4) 20.01-Administration.....	67,229,000
4		67,198,000
5	(5) 20.02-Distributed Administration.....	-66,567,000
6		-66,536,000
7	(6) Reimbursements.....	-259,797,000
8	(7) Less funding provided by capital out-	
9	lay	-14,209,000
10	(8) Amount payable from the General	
11	Fund (Item 3540-006-0001).....	-69,090,000
12	(9) Amount payable from the State Emer-	
13	gency Telephone Number Account	
14	(Item 3540-001-0022).....	-2,393,000
15	(10) Amount payable from the Unified Pro-	
16	gram Account (Item 3540-001-0028)....	-353,000
17	(11) Amount payable from the State Fire	
18	Marshal Licensing and Certification	
19	Fund (Item 3540-001-0102).....	-2,715,000
20	(12) Amount payable from the California	
21	Environmental License Plate Fund	
22	(Item 3540-001-0140).....	-504,000
23	(13) Amount payable from the California	
24	Fire and Arson Training Fund (Item	
25	3540-001-0198).....	-2,449,000
26	(14) Amount payable from the Hazardous	
27	Liquid Pipeline Safety Fund (Item	
28	3540-001-0209).....	-3,059,000
29	(16) Amount payable from the Public Re-	
30	sources Account, Cigarette and Tobacco	
31	Products Surtax Fund (Item 3540-001-	
32	0235).....	-419,000
33	(17) Amount payable from the Professional	
34	Forester Registration Fund (Item 3540-	
35	001-0300).....	-220,000
36	(18) Amount payable from the Federal	
37	Trust Fund (Item 3540-001-0890).....	-31,410,000
38	(19) Amount payable from the Forest Re-	
39	sources Improvement Fund (Item 3540-	
40	001-0928).....	-7,504,000

1	(20) Amount payable from the Timber Tax	
2	Fund (Item 3540-001-0965).....	-34,000
3	(20.5) Amount payable from the Emergen-	
4	cy Response Account (Item 3540-	
5	001-1014).....	-78,882,000
6	(22) Amount payable from the California	
7	Clean Water, Clean Air, Safe Neighbor-	
8	hood Parks, and Coastal Protection	
9	Fund (Item 3540-001-6029).....	-8,750,000
10	(23) Amount payable from the Water Secu-	
11	rity, Clean Drinking Water, Coastal and	
12	Beach Protection Fund of 2002 (Item	
13	3540-001-6031).....	-368,000
14	(24) Amount payable from the Safe Drinking	
15	Water, Water Quality and Supply,	
16	Flood Control, River and Coastal Pro-	
17	tection Fund of 2006 (Item 3540-001-	
18	6051).....	-1,454,000
19	Provisions:	
20	1. Notwithstanding any other provision of law, the De-	
21	partment of Finance may authorize the temporary or	
22	permanent redirection of funds from this item for	
23	purposes of emergency fire suppression and detection	
24	costs and related emergency refutation costs.	
25	2. Notwithstanding any other provision of law, the Direc-	
26	tor of Finance may authorize a loan from the General	
27	Fund, in an amount not to exceed 35 percent of reim-	
28	bursments appropriated in this item, to the Depart-	
29	ment of Forestry and Fire Protection, provided that:	
30	(a) The loan is to meet cash needs resulting from the	
31	delay in receipt of reimbursements for services	
32	provided.	
33	(b) The loan is for a short term and shall be repaid	
34	by September 30 of the fiscal year following that	
35	in which the loan was authorized.	
36	(c) Interest charges may be waived pursuant to subdivi-	
37	sion (e) of Section 16314 of the Government	
38	Code.	
39	(d) The Director of Finance may not approve the loan	
40	unless the approval is made in writing and filed	

with the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider appropriations not later than 30 days prior to the effective date of the approval, or not sooner than whatever lesser time that the chairperson of the joint committee, or his or her designee, may determine.

SEC. 24. Item 3540-001-1014 of Section 2.00 of the Budget Act of 2008 is repealed.

~~3540-001-1014—For support of the Department of Forestry and Fire Protection, for payment to Item 3540-001-0001, payable from the Emergency Response Account..... 78,882,000~~

SEC. 25. Item 3790-490 of Section 2.00 of the Budget Act of 2008 is amended to read:

3790-490—Reappropriation, Department of Parks and Recreation. Notwithstanding any other provision of law, the period to liquidate encumbrances in the following citations is extended to June 30, 2009:

0005—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund

(1) Item 3790-102-0005, Budget Act of 2000 (Ch. 52, Stats. 2000), (a) 80.25-Recreational Grants, (5) Murray-Hayden Grants

(c) City of Richmond: Richmond Natatorium, to enable seismic retrofit of the Natatorium

(p) City of Los Angeles, Juntos Park: outdoor development at a recently acquired parcel to serve as a new park

(x) City of Anaheim: Maxwell Park Expansion Project from 15 to 21 acres

(ix) Santa Monica Mountains Conservancy: Arroyo Seco/Confluence Park

(vx) YMCA of San Diego County: Border View Expansion

(ey) Concerned Citizens of South Central Los Angeles: Acquisition and construction of Antes Columbus Youth Center, soccer field and pocket park, as amended by SB 1681, Section 12 of Chapter 672 of the Statutes of 2000

(2) Item 3790-102-0005, Budget Act of 2000 (Ch. 52, Stats. 2000), (a) 80.25-Recreational Grants, (6c) Soccer and baseball fields

(r) City of Los Angeles, Boyle Heights Sports Center for development of sports fields for both soccer and baseball as amended by SB 1681, Section 12 of Chapter 672, Statutes of 2000

(3) Item 3790-102-0005, Budget Act of 2000 (Ch. 52, Stats. 2000), (a) 80.25-Recreational Grants, (1) Competitive grants (nonproject specific)

(c) Nonmotorized Trail Grants. This appropriation is limited to a \$200,000 grant to the San Dieguito River Park Joint Powers Authority.

(4) Item 3790-103-0005, Budget Act of 2000 (Ch. 52, Stats. 2000), Grants (per capita), County of San Diego for the \$1,855,000 grant for the Otay Valley Regional Park

SEC. 26. Item 3790-494 is added to Section 2.00 of the Budget Act of 2008, to read:

3790-494—Reappropriation, Department of Parks and Recreation. Notwithstanding any other provision of law, the period to liquidate encumbrances in the following citation is extended to June 30, 2009:

6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund

(1) Subdivision (b) of Section 2 of Chapter 1126 of Statutes of 2002, for the \$333,333 grant to the City of San Jose for the development of Japantown.

SEC. 27. Item 3900-001-0044 of Section 2.00 of the Budget Act of 2008 is amended to read:

1	3900-001-0044—For support of State Air Resources Board,	
2	payable from the Motor Vehicle Account, State Transporta-	
3	tion Fund.....	111,261,000
4	Schedule:	
5	(1) 15-Mobile Source.....	558,652,000
6	(2) 25-Stationary Source.....	57,232,000
7	(3) 30.01-Program Direction and Support....	14,941,000
8	(4) 30.02-Distributed Program Direction	
9	and Support.....	-14,941,000
10	(5) Reimbursements.....	-5,460,000
11	(6) Amount payable from the General Fund	
12	(Item 3900-001-0001).....	-2,189,000
13	(7) Amount payable from the Air Pollu-	
14	tion Control Fund (Item 3900-001-	
15	0115).....	-164,758,000
16	(8) Amount payable from the Vehicle In-	
17	spection and Repair Fund (Item 3900-	
18	001-0421).....	-14,271,000
19	(9) Amount payable from the Air Toxics	
20	Inventory and Assessment Account	
21	(Item 3900-001-0434).....	-936,000
22	(10) Amount payable from the Federal	
23	Trust Fund (Item 3900-001-0890).....	-14,924,000
24	(11) Amount payable from the Non-Toxic	
25	Dry Cleaning Incentive Trust Fund	
26	(Item 3900-001-3070).....	-1,514,000
27	(12) Amount payable from the Air Quality	
28	Improvement Fund (Item 3900-001-	
29	3119).....	-50,440,000
30	(13) Amount payable from the California	
31	Ports Infrastructure, Security, and	
32	Air Quality Improvement Account,	
33	Highway Safety, Traffic Reduction,	
34	Air Quality, and Port Security Fund	
35	of 2006 (Item 3900-001-6054).....	-250,131,000
36	Provisions:	
37	1. Of the funds appropriated pursuant to this item,	
38	\$6,000,000 shall be expended pursuant to Section	
39	7(a)(1), (c), (d)(1), (e), and (g) of Chapter 91 of the	
40	Statutes of 2005. Notwithstanding subdivision (a) of	

Section 1.80 of this act, these funds are available for expenditure until June 30, 2011.

2. The State Air Resources Board shall provide to the Legislature an update of the report identified in subsection (f) of Section 7 of Chapter 91 of the Statutes of 2005 by February 1, 2009.

SEC. 28. ~~Item 4260-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:~~

~~4260-101-0001—For local assistance, Department of Health Care Services, Medical Assistance Program, payable from the Health Care Deposit Fund (0912) after transfer from the General Fund..... 13,816,298,000~~

~~Schedule:~~

- ~~(1) 20.10.010—Eligibility (County Administration)..... 2,697,119,000~~
- ~~(2) 20.10.020—Fiscal Intermediary Management..... 268,647,000~~
- ~~(3) 20.10.030—Benefits (Medical Care and Services)..... 32,322,777,000~~
- ~~(4) Reimbursements..... -203,216,000~~
- ~~(5) Amount payable from Childhood Lead Poisoning Prevention Fund (Item 4260-101-0080)..... -160,000~~
- ~~(6) Amount payable from the Hospital Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-101-0232)..... -18,000,000~~
- ~~(7) Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-101-0236)..... -18,784,000~~
- ~~(8) Amount payable from the Federal Trust Fund (Item 4260-101-0890)..... -21,232,085,000~~

~~Provisions:~~

- ~~1. The aggregate principal amount of disproportionate share hospital general obligation debt that may be issued in the 2008–09 fiscal year pursuant to subpara-~~

graph (A) of paragraph (2) of subdivision (f) of Section 14085.5 of the Welfare and Institutions Code shall be \$0.

2. Notwithstanding any other provision of law, both the federal and nonfederal shares of any moneys recovered for previously paid health care services, provided pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code, are hereby appropriated and shall be expended as soon as practicable for medical care and services as defined in the Welfare and Institutions Code.

3. Notwithstanding any other provision of law, accounts receivable for recoveries as described in Provision 2 shall have no effect upon the positive balance of the General Fund or the Health Care Deposit Fund. Notwithstanding any other provision of law, moneys recovered as described in this item that are required to be transferred from the Health Care Deposit Fund to the General Fund shall be credited by the Controller to the General Fund without regard to the appropriation from which it was drawn.

4. Without regard to fiscal year, the General Fund shall make one or more loans available not to exceed a cumulative total of \$45,000,000 to be transferred as needed to the Health Care Deposit Fund to meet cash needs. The loans are subject to the repayment provisions of Section 16351 of the Government Code. Any additional loan requirement in excess of \$45,000,000 shall be processed in the manner prescribed by Section 16351 of the Government Code.

5. Notwithstanding any other provision of law, the State Department of Health Care Services may give public notice relative to proposing or amending any rule or regulation that could result in increased costs in the Medi-Cal program only after approval by the Department of Finance. Additionally, any rule or regulation adopted by the State Department of Health Care Services and any communication that increases costs in the Medi-Cal program shall be effective only after the

1 date upon which it is approved by the Department of
2 Finance.

3 6. Of the funds appropriated in this item, up to \$50,000
4 may be allocated for attorney's fees awarded pursuant
5 to state or federal law without prior notification to the
6 Legislature. Individual settlements authorized under
7 this language shall not exceed \$5,000. The semiannual
8 estimates of Medi-Cal expenditures due to the Legis-
9 lature in January and May shall reflect attorney's fees
10 paid 15 or more days prior to the transmittal of the
11 estimate. The semiannual estimates of Medi-Cal ex-
12 penditures provided to the Legislature in January and
13 May may constitute the notification required by this
14 provision.

15 7. Change orders to the medical or the dental fiscal inter-
16 mediary contract for amounts exceeding a total cost
17 of \$250,000 shall be approved by the Department of
18 Finance not sooner than 30 days after written notifica-
19 tion of the change order is provided to the chairpersons
20 of the fiscal and policy committees in each house of
21 the Legislature and to the Chairperson of the Joint
22 Legislative Budget Committee or not sooner than such
23 lesser time as the chairperson of the joint committee,
24 or his or her designee, may designate. The semiannual
25 estimates of Medi-Cal expenditures provided to the
26 Legislature in January and May may constitute the
27 notification required by this provision.

28 8. Recoveries of advances made to counties in prior years
29 pursuant to Section 14153 of the Welfare and Institu-
30 tions Code are reappropriated to the Health Care De-
31 posit Fund for reimbursement of those counties where
32 allowable costs exceeded the amounts advanced. Re-
33 coveries in excess of the amounts required to fully re-
34 imburse allowable costs shall be transferred to the
35 General Fund. When a projected deficiency exists in
36 the Medical Assistance Program, these funds, subject
37 to notification to the Chairperson of the Joint Legisla-
38 tive Budget Committee, are appropriated and shall be
39 expended as soon as practicable for the state's share

of payments for medical care and services, county administration, and fiscal intermediary services.

9. The Department of Finance may transfer funds representing all or any portion of any estimated savings that are a result of improvements in the Medi-Cal claims processing procedures from the Medi-Cal services budget or the support budget of the State Department of Health Care Services (Item 4260-001-0001) to the fiscal intermediary budget item for purposes of making improvements to the Medi-Cal claims system.

10. Notwithstanding any other provision of law, the Department of Finance may authorize the transfer of expenditure authority between Schedules (1), (2), (3), and (4) of this item and between this item and Items 4260-102-0001, 4260-111-0001, 4260-113-0001, and 4260-117-0001 in order to effectively administer the programs funded in these items. The Department of Finance shall notify the Legislature within 10 days of authorizing such a transfer unless prior notification of the transfer has been included in the Medi-Cal estimates submitted pursuant to Section 14100.5 of the Welfare and Institutions Code. The 10-day notification to the Legislature shall include the reasons for the transfer, the fiscal assumptions used in calculating the transfer amount, and any potential fiscal effects on the program from which funds are being transferred or for which funds are being reduced.

11. Notwithstanding any other provision of law and Section 26.00, the Department of Finance may authorize the transfer of expenditure authority from Schedule (3) to Schedule (1) for the purposes of implementing changes required by the federal Deficit Reduction Act of 2005, which shall include, but not be limited to, providing assistance to individuals in meeting these verification rules and for county eligibility activities. It is the intent of the Legislature that these transfers be provided on a timely basis in order to ensure the health and safety of Californians. The Department of Finance shall notify the Legislature within 15 days of authorizing that transfer unless prior notification of

1 the transfer has been included in the Medi-Cal esti-
2 mates submitted pursuant to Section 14100.5 of the
3 Welfare and Institutions Code.

4 12. If a federal grant that provides 75 percent federal finan-
5 cial participation to allow individuals in nursing homes
6 to voluntarily move into a community setting and still
7 receive the same amount of funding for services is
8 awarded to the State Department of Health Care Ser-
9 vices during the 2008-09 fiscal year, then, notwith-
10 standing any other provision of law, the department
11 may count expenditures from the appropriation made
12 to this item as state matching funds for that grant.

13 13. Of the funds appropriated in this item, up to
14 \$9,150,000 may be utilized to resolve the deferral issue
15 by the federal Centers for Medicare and Medicaid
16 Services (Deferral No. CA/2006/3/E/15/MAP) related
17 to the Fresno County Intergovernmental Transfer
18 transaction.

19 14. The State Department of Health Care Services (DHCS)
20 shall, by January 10, 2009, provide the Legislature
21 with options to enhance the health care delivery system
22 under the Medi-Cal Program for adults with disabilities
23 or complex chronic conditions who are eligible for
24 full-scope Medi-Cal benefits without a share-of-cost
25 and who choose not to enroll in the Medi-Cal Managed
26 Care Program or who do not have this option available
27 for enrollment in their community.

28 The options shall provide enrollees with the ability
29 to select a medical home that provides primary and
30 preventive care as well as comprehensive and coordi-
31 nated care management, and ensures that care is pro-
32 vided in a timely and accessible manner in the least
33 restrictive and most appropriate setting.

34 Any options provided to the Legislature by the
35 DHCS shall, at a minimum, include the following
36 specific components:

- 37 (a) Description of the health care delivery system
38 (b) Method for determining eligibility and protocols
39 for enrollment for services

- (c) ~~Description of health care networks, or any medical home or interdisciplinary care team to be used for preventive and primary care services and case management~~
- (d) ~~Description of access to out-of-network services, where applicable~~
- (e) ~~Protocols for referral practices, including specialty care services, tertiary care services, durable medical equipment and pharmaceuticals~~
- (f) ~~Protocols for communication access, including provision of content through methods that are understandable and usable by this population~~
- (g) ~~Description of benefit management oversight and monitoring processes~~
- (h) ~~Referral processes to other publicly funded programs, including those administered by the State Departments of Mental Health, Social Services, Developmental Services, Public Health, and Health Care Services~~
- (i) ~~Role of advisory groups, including stakeholders who historically represent this population, professional organizations, community-based organizations, foundation consultants or applicable others, in actively designing any components to potential options~~
- (j) ~~Training for providers on disability competency and clinical components~~
- (k) ~~Descriptions of any Medi-Cal eligible beneficiary outreach, health care educational information, or related methods for engagement in health care awareness and participation~~
- (l) ~~Criteria and assumptions used to calculate any short-term and longer-term health care measurements and outcomes, as well as fiscal estimates, pertaining to any options.~~

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SEC. 28. *Item 4260-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:*

4260-101-0001—For local assistance, Department of Health
Care Services, Medical Assistance Program, payable
from the Health Care Deposit Fund (0912) after
transfer from the General Fund..... ~~14,047,759,000~~
14,042,203,000

Schedule:

- (1) 20.10.010-Eligibility (County Admin-
istration)..... ~~2,739,255,000~~
2,697,119,000
- (2) 20.10.020-Fiscal Intermediary Manage-
ment..... ~~268,647,000~~
- (3) 20.10.030-Benefits (Medical Care
and Services)..... ~~32,737,727,000~~
32,765,590,000
- (4) Reimbursements..... ~~-203,216,000~~
- (5) Amount payable from Childhood Lead
Poisoning Prevention Fund (Item 4260-
101-0080)..... ~~-160,000~~
- (6) Amount payable from the Hospital
Services Account, Cigarette and Tobac-
co Products Surtax Fund (Item 4260-
101-0232)..... ~~-18,000,000~~
- (7) Amount payable from the Unallocated
Account, Cigarette and Tobacco Prod-
ucts Surtax Fund (Item 4260-101-
0236)..... ~~-18,784,000~~
- (8) Amount payable from the Federal
Trust Fund (Item 4260-101-
0890)..... ~~-21,457,710,000~~
-21,448,993,000

Provisions:

1. The aggregate principal amount of disproportionate
share hospital general obligation debt that may be is-
sued in the 2008–09 fiscal year pursuant to subpara-
graph (A) of paragraph (2) of subdivision (f) of Section
14085.5 of the Welfare and Institutions Code shall be
\$0.
2. Notwithstanding any other provision of law, both the
federal and nonfederal shares of any moneys recovered
for previously paid health care services, provided

1 pursuant to Chapter 7 (commencing with Section
2 14000) of Part 3 of Division 9 of the Welfare and In-
3 stitutions Code, are hereby appropriated and shall be
4 expended as soon as practicable for medical care and
5 services as defined in the Welfare and Institutions
6 Code.

- 7 3. Notwithstanding any other provision of law, accounts
8 receivable for recoveries as described in Provision 2
9 shall have no effect upon the positive balance of the
10 General Fund or the Health Care Deposit Fund.
11 Notwithstanding any other provision of law, moneys
12 recovered as described in this item that are required
13 to be transferred from the Health Care Deposit Fund
14 to the General Fund shall be credited by the Controller
15 to the General Fund without regard to the appropriation
16 from which it was drawn.

- 17 4. Without regard to fiscal year, the General Fund shall
18 make one or more loans available not to exceed a cu-
19 mulative total of \$45,000,000 to be transferred as
20 needed to the Health Care Deposit Fund to meet cash
21 needs. The loans are subject to the repayment provi-
22 sions of Section 16351 of the Government Code. Any
23 additional loan requirement in excess of \$45,000,000
24 shall be processed in the manner prescribed by Section
25 16351 of the Government Code.

- 26 5. Notwithstanding any other provision of law, the State
27 Department of Health Care Services may give public
28 notice relative to proposing or amending any rule or
29 regulation that could result in increased costs in the
30 Medi-Cal program only after approval by the Depart-
31 ment of Finance. Additionally, any rule or regulation
32 adopted by the State Department of Health Care Ser-
33 vices and any communication that increases costs in
34 the Medi-Cal program shall be effective only after the
35 date upon which it is approved by the Department of
36 Finance.

- 37 6. Of the funds appropriated in this item, up to \$50,000
38 may be allocated for attorney's fees awarded pursuant
39 to state or federal law without prior notification to the
40 Legislature. Individual settlements authorized under

1 this language shall not exceed \$5,000. The semiannual
2 estimates of Medi-Cal expenditures due to the Legis-
3 lature in January and May shall reflect attorney's fees
4 paid 15 or more days prior to the transmittal of the
5 estimate. The semiannual estimates of Medi-Cal ex-
6 penditures provided to the Legislature in January and
7 May may constitute the notification required by this
8 provision.

- 9 7. Change orders to the medical or the dental fiscal inter-
10 mediary contract for amounts exceeding a total cost
11 of \$250,000 shall be approved by the Department of
12 Finance not sooner than 30 days after written notifica-
13 tion of the change order is provided to the chairpersons
14 of the fiscal and policy committees in each house of
15 the Legislature and to the Chairperson of the Joint
16 Legislative Budget Committee or not sooner than such
17 lesser time as the chairperson of the joint committee,
18 or his or her designee, may designate. The semiannual
19 estimates of Medi-Cal expenditures provided to the
20 Legislature in January and May may constitute the
21 notification required by this provision.

- 22 8. Recoveries of advances made to counties in prior years
23 pursuant to Section 14153 of the Welfare and Institu-
24 tions Code are reappropriated to the Health Care De-
25 posit Fund for reimbursement of those counties where
26 allowable costs exceeded the amounts advanced. Re-
27 coveries in excess of the amounts required to fully re-
28 imburse allowable costs shall be transferred to the
29 General Fund. When a projected deficiency exists in
30 the Medical Assistance Program, these funds, subject
31 to notification to the Chairperson of the Joint Legisla-
32 tive Budget Committee, are appropriated and shall be
33 expended as soon as practicable for the state's share
34 of payments for medical care and services, county
35 administration, and fiscal intermediary services.

- 36 9. The Department of Finance may transfer funds repre-
37 senting all or any portion of any estimated savings that
38 are a result of improvements in the Medi-Cal claims
39 processing procedures from the Medi-Cal services
40 budget or the support budget of the State Department

1 of Health Care Services (Item 4260-001-0001) to the
2 fiscal intermediary budget item for purposes of making
3 improvements to the Medi-Cal claims system.

- 4 10. Notwithstanding any other provision of law, the De-
5 partment of Finance may authorize the transfer of ex-
6 penditure authority between Schedules (1), (2), (3),
7 and (4) of this item and between this item and Items
8 4260-102-0001, 4260-111-0001, 4260-113-0001, and
9 4260-117-0001 in order to effectively administer the
10 programs funded in these items. The Department of
11 Finance shall notify the Legislature within 10 days of
12 authorizing such a transfer unless prior notification of
13 the transfer has been included in the Medi-Cal esti-
14 mates submitted pursuant to Section 14100.5 of the
15 Welfare and Institutions Code. The 10-day notification
16 to the Legislature shall include the reasons for the
17 transfer, the fiscal assumptions used in calculating the
18 transfer amount, and any potential fiscal effects on the
19 program from which funds are being transferred or for
20 which funds are being reduced.

- 21 11. Notwithstanding any other provision of law and Sec-
22 tion 26.00, the Department of Finance may authorize
23 the transfer of expenditure authority from Schedule
24 (3) to Schedule (1) for the purposes of implementing
25 changes required by the federal Deficit Reduction Act
26 of 2005, which shall include, but not be limited to,
27 providing assistance to individuals in meeting these
28 verification rules and for county eligibility activities.
29 It is the intent of the Legislature that these transfers
30 be provided on a timely basis in order to ensure the
31 health and safety of Californians. The Department of
32 Finance shall notify the Legislature within 15 days of
33 authorizing that transfer unless prior notification of
34 the transfer has been included in the Medi-Cal esti-
35 mates submitted pursuant to Section 14100.5 of the
36 Welfare and Institutions Code.

- 37 12. If a federal grant that provides 75 percent federal finan-
38 cial participation to allow individuals in nursing homes
39 to voluntarily move into a community setting and still
40 receive the same amount of funding for services is

1 awarded to the State Department of Health Care Ser-
2 vices during the 2008–09 fiscal year, then, notwith-
3 standing any other provision of law, the department
4 may count expenditures from the appropriation made
5 to this item as state matching funds for that grant.

- 6 13. Of the funds appropriated in this item, up to
7 \$9,150,000 may be utilized to resolve the deferral issue
8 by the federal Centers for Medicare and Medicaid
9 Services (Deferral No. CA/2006/3/E/15/MAP) related
10 to the Fresno County Intergovernmental Transfer
11 transaction.

- 12 14. *The State Department of Health Care Services (DHCS)*
13 *shall, by January 10, 2009, provide the Legislature*
14 *with options to enhance the health care delivery system*
15 *under the Medi-Cal Program for adults with disabili-*
16 *ties or complex chronic conditions who are eligible*
17 *for full-scope Medi-Cal benefits without a share-of-*
18 *cost and who choose not to enroll in the Medi-Cal*
19 *Managed Care Program or who do not have this op-*
20 *tion available for enrollment in their community.*

21 *The options shall provide enrollees with the ability*
22 *to select a medical home that provides primary and*
23 *preventive care as well as comprehensive and coordi-*
24 *nated care management, and ensures that care is*
25 *provided in a timely and accessible manner in the least*
26 *restrictive and most appropriate setting.*

27 *Any options provided to the Legislature by the*
28 *DHCS shall, at a minimum, include the following*
29 *specific components:*

- 30 (a) *Description of the health care delivery system*
31 (b) *Method for determining eligibility and protocols*
32 *for enrollment for services*
33 (c) *Description of health care networks, or any*
34 *medical home or interdisciplinary care team to*
35 *be used for preventive and primary care services*
36 *and case management*
37 (d) *Description of access to out-of-network services,*
38 *where applicable*

- (e) *Protocols for referral practices, including specialty care services, tertiary care services, durable medical equipment and pharmaceuticals*
- (f) *Protocols for communication access, including provision of content through methods that are understandable and usable by this population*
- (g) *Description of benefit management oversight and monitoring processes*
- (h) *Referral processes to other publicly funded programs, including those administered by the State Departments of Mental Health, Social Services, Developmental Services, Public Health, and Health Care Services*
- (i) *Role of advisory groups, including stakeholders who historically represent this population, professional organizations, community-based organizations, foundation consultants or applicable others, in actively designing any components to potential options*
- (j) *Training for providers on disability competency and clinical components*
- (k) *Descriptions of any Medi-Cal eligible beneficiary outreach, health care educational information, or related methods for engagement in health care awareness and participation*
- (l) *Criteria and assumptions used to calculate any short-term and longer-term health care measurements and outcomes, as well as fiscal estimates, pertaining to any options.*

SEC. 28.5. Item 4260-101-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

4260-101-0890—For local assistance, Department of Health Care Services, for payment to Item 4260-101-0001, payable from the Federal Trust Fund..... 21,457,710,000
21,448,993,000

Provisions:

1. Any of the provisions in Item 4260-101-0001 that are relevant to this item also apply to this item.

SEC. 29. Item 4260-111-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

4260-111-0001—For local assistance, Department of Health

Care Services.....	202,957,000
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Schedule:

(1) 20.25-Children’s Medical Services.....	352,614,000
(2) 20.35-Primary and Rural Health.....	50,389,000
(3) Reimbursements.....	–55,353,000
(4) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 4260-111-0080).....	–24,000
(5) Amount payable from the Physician Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0233).....	–774,000
(6) Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0236).....	–13,081,000
(7) Amount payable from the Federal Trust Fund (Item 4260-111-0890).....	–130,814,000

Provisions:

1. Program 20.25-Children’s Medical Services: Counties may retain 50 percent of total enrollment and assessment fees that are collected by the counties for the California Children’s Services Program. Fifty percent of the enrollment and assessment fee for each county shall be offset from the state’s match for that county.
2. Notwithstanding any other provision of law, the Department of Finance may authorize transfer of expenditure authority between this item and Items 4260-101-0001, 4260-102-0001, 4260-113-0001, and 4260-117-0001 in order to effectively administer the programs funded in these items. The Department of Finance shall notify the Legislature within 10 days of authorizing such transfer unless prior notification of the transfer has been included in the Medi-Cal estimates submitted pursuant to Section 14100.5 of the Welfare

and Institutions Code. The 10-day notification to the Legislature shall include the reasons for the transfer, the fiscal assumptions used in calculating the transfer amount, and any potential fiscal effects on the program from which funds are being transferred or reduced.

SEC. 30. Item 4260-111-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

4260-111-0890—For local assistance, Department of Health Care Services, for payment to Item 4260-111-0001, payable from the Federal Trust Fund 130,814,000

Provisions:

1. Of the funds appropriated in this item, \$408,000 shall be available for administration, research, and training projects. Notwithstanding Section 28.00, the State Department of Health Care Services shall report under that section any new project over \$200,000 or any increase in excess of \$400,000 for an identified project.

SEC. 31. Item 4300-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

4300-101-0001—For local assistance, Department of Developmental Services, for Regional Centers..... 2,384,027,000

Schedule:

- (1) 10.10.010-Operations..... 527,816,000
- (2) 10.10.020-Purchase of Services..... 3,372,900,000
- (3) 10.10.060-Early Intervention Programs..... 20,095,000
- (4) Reimbursements..... -1,308,405,000
- (5) Amount payable from the Public Transportation Account, State Transportation Fund (Item 4300-101-0046)..... -138,275,000
- (6) Amount payable from Developmental Disabilities Program Development Fund (Item 4300-101-0172)..... -1,147,000
- (7) Amount payable from Federal Trust Fund (Item 4300-101-0890)..... -88,957,000

Provisions:

1. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-003-0001. Within 10 working days after approval of a transfer as authorized by this provision, the Department of Finance shall notify the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee of the transfer, including the amount transferred, how the amount transferred was determined, and how the amount transferred will be utilized.
2. A loan shall be made available from the General Fund to the State Department of Developmental Services not to exceed a cumulative total of \$160,000,000. The loan funds shall be transferred to this item as needed to meet cashflow needs due to delays in collecting reimbursements from the Health Care Deposit Fund, and are subject to the repayment provisions of Section 16351 of the Government Code.
3. Upon order of the Director of Finance, the Controller shall transfer funds as are necessary between this item and Item 5160-001-0001 to provide for the transportation costs to and from work activity programs of clients who are receiving vocational rehabilitation services through the Vocational Rehabilitation/Work Activity Program (VR/WAP) Transition Program.
4. \$1,826,000 of the funds appropriated in this item may be used to augment service provider rates for the work needed to obtain information to secure federal participation under the Home and Community-Based Services Waiver program. Eligible providers are those service providers who are qualified providers under Title XIX of the Social Security Act, are not currently providing the required information, and are serving individuals enrolled under the Home and Community-Based Services Waiver program.
5. Notwithstanding Section 26.00, the Department of Finance may authorize transfer of expenditure authority between Schedules (1) and (2) in order to more

1 accurately reflect expenditures in the Early Intervention
2 federal grant program (Part C of the Individuals
3 with Disabilities Education Act).

- 4 6. It is the intent of the Legislature for the State Department
5 of Health Care Services and the State Department
6 of Developmental Services to collaboratively work
7 with stakeholders, including providers and diverse
8 constituency groups as deemed appropriate, regarding
9 the bundling of rates for the reimbursement of intermediate
10 care facilities for the developmentally disabled,
11 including habilitative and nursing facilities. It is the
12 intent of the Legislature that any changes made by the
13 state shall be seamless to the providers of services affected
14 by the changes, as well as to the consumers and
15 their families that are provided services through the
16 Regional Center system. The integrity of the individual
17 program plan process described in the Lanterman Developmental
18 Disabilities Services Act (Division 4.5
19 (commencing with Section 4500) of the Welfare and
20 Institutions Code) shall be maintained throughout this
21 process and shall not be affected by any changes made
22 to implement the bundled rates.

- 23 7. Of the funds appropriated in Schedule (2), the amount
24 identified by the State Department of Developmental
25 Services for self-directed services shall be available
26 for encumbrance until June 30, 2010, and for liquidation
27 until June 30, 2011.

- 28 8. Upon the order of the Department of Finance, the
29 Controller shall transfer such funds as are necessary
30 between this item and Item 4300-103-0001 in order
31 to effectively administer the Self-Directed Services
32 Risk Pool Fund.

- 33 9. It is the intent of the Legislature for the California
34 Children and Families Commission to utilize at least
35 \$5,000,000 in funds from any of its accounts for information,
36 services, and supports provided under the
37 Early Start Program as administered by the State Department
38 of Developmental Services. This language
39 is not intended to affect any contingencies or emergen-

cies of which the Department of Finance may choose
to notify the Legislature in the 2008–09 fiscal year.

*SEC. 31.5. Item 4440-101-0001 of Section 2.00 of the Budget
Act of 2008 is amended to read:*

4440-101-0001—For local assistance, Department of Mental
Health..... 480,163,000

Schedule:

- (1) 10.25-Community Services—Other
Treatment..... 639,172,000
- (2) 10.30-Community Services—
EPSDT..... 984,001,000
- (3) 10.47-Community Services—Children’s
Mental Health Services..... 350,000
- (4) 10.85-Community Services—AIDS..... 0
- (5) 10.97-Community Services—Healthy
Families Program..... 24,805,000
- (5.5) 10.98-Community Services—Contin-
ued Implementation of the MHSA..... 40,000,000
- (6) Reimbursements..... –1,208,165,000

Provisions:

- 1. Augmentations to reimbursements in this item from
the Office of Emergency Services for Disaster Relief
are exempt from Section 28.00. The State Department
of Mental Health shall provide written notification to
the Joint Legislative Budget Committee describing
the nature and planned expenditure of these augmen-
tations when the amount received exceeds \$200,000.
- 2. It is the intent of the Legislature that local expenditures
for mental health services for Medi-Cal eligible indi-
viduals serve as the match to draw down maximum
federal financial participation to continue the Short-
Doyle/Medi-Cal program.
- 3. Of the amount appropriated in this item, \$750,000
shall be used to provide a supplemental payment to
Community Treatment Facilities for the 2008–09 fiscal
year.
- 4. Of the amount appropriated in this item, a portion is
for costs and claims incurred by the San Mateo Phar-

macy and Laboratory Services Program in the 2004–05 and 2005–06 fiscal years.

5. *It is the intent of the Legislature for counties to consider ways to provide services similar to those established pursuant to the Mentally Ill Offender Crime Reduction Grant Program using Mental Health Services Act Funds, as referenced in Section 5813.5 of the Welfare and Institutions Code and as appropriate under this act.*

SEC. 32. Item 5180-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

5180-101-0001—For local assistance, Department of Social Services..... 2,808,386,000

Schedule:

(1) 16.30-CalWORKs.....	5,290,712,000
(2) 16.65-Other Assistance Payments....	1,360,039,000
(3) Reimbursements.....	–3,990,000
(4) Amount payable from the Emergency Food Assistance Program Fund (Item 5180-101-0122).....	–449,000
(5) Amount payable from the Employment Training Fund (Item 5180-101-0514).....	–35,000,000
(6) Amount payable from the Federal Trust Fund (Item 5180-101-0890).....	–3,791,897,000
(7) Amount payable from the Child Support Collections Recovery Fund (Item 5180-101-8004).....	–11,029,000

Provisions:

1. (a) No funds appropriated in this item shall be encumbered unless every rule or regulation adopted and every all-county letter issued by the State Department of Social Services that adds to the costs of any program is approved by the Department of Finance as to the availability of funds before it becomes effective. In making the determination as to availability of funds to meet the expenditures

1 of a rule, regulation, or all-county letter that would
2 increase the costs of a program, the Department
3 of Finance shall consider the amount of the pro-
4 posed increase on an annualized basis, the effect
5 the change would have on the expenditure limita-
6 tions for the program set forth in this act, the ex-
7 tent to which the rule, regulation, or all-county
8 letter constitutes a deviation from the premises
9 under which the expenditure limitations were
10 prepared, and any additional factors relating to
11 the fiscal integrity of the program or the state's
12 fiscal situation.

13 (b) Notwithstanding Sections 28.00 and 28.50, the
14 availability of funds contained in this item for
15 rules, regulations, or all-county letters that add to
16 program costs funded from the General Fund in
17 excess of \$500,000 on an annual basis, including
18 those that are the result of a federal regulation but
19 excluding those that are (1) specifically required
20 as a result of the enactment of a federal or state
21 law or (2) included in the appropriation made by
22 this act, shall not be approved by the Department
23 of Finance sooner than 30 days after notification
24 in writing to the chairpersons of the committees
25 in each house of the Legislature that consider ap-
26 propriations and the Chairperson of the Joint
27 Legislative Budget Committee, or such lesser time
28 as the chairperson of the joint committee, or his
29 or her designee, may in each instance determine.

30 2. Notwithstanding Chapter 1 (commencing with Section
31 18000) of Part 6 of Division 9 of the Welfare and In-
32 stitutions Code, a loan not to exceed \$500,000,000
33 shall be made available from the General Fund, from
34 funds not otherwise appropriated, to cover the federal
35 share of costs of a program or programs when the
36 federal funds have not been received by this state prior
37 to the usual time for transmitting that federal share to
38 the counties of this state. This loan from the General
39 Fund shall be repaid when the federal share of costs
40 for the program or programs becomes available.

- 1 3. The Department of Finance may authorize the transfer
2 of amounts from this item to Item 5180-001-0001 in
3 order to fund the costs of the administrative hearing
4 process associated with changes in aid payments in
5 the CalWORKs program.
- 6 4. (a) The Department of Finance is authorized to ap-
7 prove expenditures in those amounts made neces-
8 sary by changes in either caseload or payments,
9 or any rule or regulation adopted and any all-
10 county letter issued as a result of the enactment
11 of a federal or state law, the adoption of a federal
12 regulation, or the following of a court decision,
13 during the 2008–09 fiscal year that are within or
14 in excess of amounts appropriated in this act for
15 that year.
- 16 (b) If the Department of Finance determines that the
17 estimate of expenditures will exceed the expendi-
18 tures authorized for this item, the department shall
19 so report to the Legislature. At the time the report
20 is made, the amount of the appropriation made in
21 this item shall be increased by the amount of the
22 excess unless and until otherwise provided by
23 law.
- 24 5. Nonfederal funds appropriated in this item which have
25 been budgeted to meet the state’s Temporary Assis-
26 tance for Needy Families maintenance-of-effort require-
27 ment established pursuant to the federal Personal Re-
28 sponsibility and Work Opportunity Reconciliation Act
29 of 1996 (P.L. 104-193) may not be expended in any
30 way that would cause their disqualification as a feder-
31 ally allowable maintenance-of-effort expenditure.
- 32 6. In the event of declared disaster and upon county re-
33 quest, the State Department of Social Services may
34 act in the place of any county and assume direct respon-
35 sibility for the administration of eligibility and grant
36 determination. Upon recommendation of the Director
37 of Social Services, the Department of Finance may
38 authorize the transfer of funds from this item and 5180-
39 101-0890, to Items 5180-001-0001 and 5180-001-
40 0890, for this purpose.

- 1 7. Pursuant to the Electronic Benefit Transfer (EBT) Act
2 (Chapter 3 (commencing with Section 10065) of Part
3 1 of Division 9 of the Welfare and Institutions Code)
4 and in accordance with the EBT System regulations
5 (Manual of Policies and Procedures Section 16-
6 401.15), in the event a county fails to reimburse the
7 EBT contractor for settlement of EBT transactions
8 made against the county's cash assistance programs,
9 the state is required to pay the contractor. The State
10 Department of Social Services may use funds from
11 this item to reimburse the EBT contractor for settle-
12 ment on behalf of the county. The county shall be re-
13 quired to reimburse the department for county's settle-
14 ment via direct payment or administrative offset.
- 15 8. The Department of Finance is authorized to approve
16 expenditures for the California Food Assistance Pro-
17 gram in those amounts made necessary by changes in
18 the Food Stamp Program Standard Utility Allowance,
19 including those that result from midyear Standard
20 Utility Allowance adjustments requested by the state.
21 If the Department of Finance determines that the esti-
22 mate of expenditures will exceed the expenditures
23 authorized for this item, the department shall so report
24 to the Legislature. At the time the report is made, the
25 amount of the appropriation made by this item shall
26 be increased by the amount of the excess unless and
27 until otherwise provided by law.
- 28 9. Upon request of the Department of Finance, the Con-
29 troller shall transfer funds between this item and Item
30 5180-153-0001 as needed to reflect the estimated ex-
31 penditure amounts for each county that opts into the
32 Title IV-E Child Welfare Waiver Demonstration Pro-
33 ject pursuant to Section 18260 of the Welfare and In-
34 stitutions Code. The Department of Finance shall re-
35 port to the Legislature the amount to be transferred
36 pursuant to this provision. The transfer shall be autho-
37 rized at the time the report is made.
- 38 10. The Department of Finance shall increase this item up
39 to \$20,613,000 to the extent that unspent county per-
40 formance and fraud recovery incentive funds available

as of June 30, 2008, are less than \$20,613,000. The increase shall be made not sooner than 30 days after written notification of the increase is given to the chairpersons of the fiscal committees of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee may determine.

11. Notwithstanding any other provision of law, upon request of the Department of Social Services, the Department of Finance may increase the expenditure authority in this item for the purpose of funding a supplemental payment to foster parents and families receiving adoption assistance payments for children served by both regional centers and child welfare agencies pursuant to Section 11464 of the Welfare and Institutions Code, as amended by Chapter 177 of the Statutes of 2007.

SEC. 33. Item 5180-101-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

- 5180-101-0890—For local assistance, Department of Social Services, for payment to Item 5180-101-0001, payable from the Federal Trust Fund..... 3,791,897,000
- Provisions:
1. Provisions 1, 4, 6, 7, 9, 10, and 11 of Item 5180-101-0001 also apply to this item.
 2. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-001-0890 in order to fund the costs of the administrative hearing process associated with changes in aid payments in the CalWORKs program.
 3. For the purpose of broadening access to federal Child and Adult Care Food Program benefits for low-income children in proprietary child care centers, the State Department of Social Services may transfer up to \$10,000,000 of the funds appropriated in this item for Program 16.30—CalWORKs, from the Temporary Assistance for Needy Families (TANF) block grant to

the Social Services Block Grant (Title XX) pursuant to authorization in the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193). The Title XX funds shall be pooled with TANF funds appropriated in this item for CalWORKs Child Care. This transfer shall occur only if the Director of Finance approves the pooling of Title XX funds with Child Care and Development Fund or TANF funds, or both.

4. Upon request of the State Department of Social Services, the Director of Finance may increase or decrease the expenditure authority in this item to offset any increases or decreases in collections deposited in the Child Support Collections Recovery Fund and appropriated in Item 5180-101-8004. The Department of Finance shall provide notification of the adjustment to the Joint Legislative Budget Committee within 10 working days from the date of Department of Finance approval of the adjustment.

SEC. 34. Item 5180-111-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

5180-111-0001—For local assistance, Department of Social Services..... 5,562,733,000

Schedule:

(1) 16.70-SSI/SSP.....	3,751,938,000
(2) 25.15-IHSS.....	5,330,297,000
(3) 25.20-Recipient Supplementary Payment.....	44,176,000
(4) Reimbursements.....	-3,563,678,000

Provisions:

1. Provisions 1 and 4 of Item 5180-101-0001 also apply to this item.
2. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed \$240,000,000 shall be made available from the General Fund from funds not otherwise appropriated, to cover the federal share or reimbursable share, or both, of costs of a

1 program or programs when the federal funds or reim-
2 bursements (from the Health Care Deposit Fund or
3 counties) have not been received by this state prior to
4 the usual time for transmitting payments for the federal
5 or reimbursable share of costs for this state. That loan
6 from the General Fund shall be repaid when the federal
7 share of costs for the program or programs becomes
8 available, or in the case of reimbursements, subject to
9 Section 16351 of the Government Code. County reim-
10 bursements also shall be subject to Section 16314 of
11 the Government Code, which specifies the rate of in-
12 terest. The department may offset a county's share of
13 cost of the In-Home Supportive Services (IHSS) pro-
14 gram against local assistance payments made to the
15 county if the county fails to reimburse its share of cost
16 of the IHSS program to the state.

- 17 3. The State Department of Social Services shall provide
18 technical assistance to counties to ensure that they
19 maximize the receipt of federal funds for the In-Home
20 Supportive Services (IHSS) program, without compro-
21 mising the quality of the services provided to IHSS
22 recipients.
- 23 4. The Director of Finance may authorize the transfer of
24 amounts from this item to Item 5180-001-0001 in order
25 to fund increased costs due to workload associated
26 with the retroactive reimbursement of Medi-Cal ser-
27 vices for the In-Home Supportive Services program
28 to comply with the Conlan v. Shewry court decision.
29 The Department of Finance shall report to the Legisla-
30 ture the amount to be transferred pursuant to this pro-
31 vision and the number of positions to be established
32 by the State Department of Social Services. The
33 transfer shall be authorized at the time the report is
34 made. The State Department of Social Services shall
35 review the workload associated with the Conlan v.
36 Shewry decision during the 2008–09 fiscal year and
37 may administratively establish positions as the work-
38 load requires.
- 39 5. The Director of Finance may authorize the transfer of
40 amounts from this item to Item 5180-001-0001 in order

to fund the cost of the administrative hearing process associated with changes in aid or service payments in the In-Home Supportive Services program. The Department of Finance shall report to the Legislature the amount to be transferred pursuant to this provision. The transfer shall be authorized at the time the report is made.

SEC. 35. Item 5180-141-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

5180-141-0001—For local assistance, Department of Social Services..... 480,516,000

Schedule:

(1) 16.75-County Administration and Automation Projects..... 1,194,774,000

(2) Reimbursements..... -59,427,000

(3) Amount payable from the Federal Trust Fund (Item 5180-141-0890)..... -654,831,000

Provisions:

1. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed \$127,000,000 shall be made available from the General Fund, from funds not otherwise appropriated, to cover the federal share of costs of a program when the federal funds have not been received by this state prior to the usual time for transmitting that federal share to the counties of this state. This loan from the General Fund shall be repaid when the federal share of costs for the program or programs becomes available.

2. In the event of declared disaster and upon county request, the State Department of Social Services may act in the place of any county and assume direct responsibility for the administration of eligibility and grant determination. Upon recommendation of the Director of Social Services, the Department of Finance may authorize the transfer of funds from Items 5180-141-0001 and 5180-141-0890, to Items 5180-001-0001 and 5180-001-0890, for this purpose.

- 1 3. Provision 1 of Item 5180-101-0001 also applies to this
2 item.
- 3 4. Pursuant to public assistance caseload estimates reflect-
4 ed in the annual Governor's Budget, the Department
5 of Finance may approve expenditures in those amounts
6 made necessary by changes in caseload that are in ex-
7 cess of amounts appropriated in this act. If the Depart-
8 ment of Finance determines that the estimate of expen-
9 ditures will exceed the expenditures authorized for
10 this item, the department shall so report to the Legisla-
11 ture. At the time the report is made, the amount of the
12 appropriation made by this item shall be increased by
13 the amount of the excess unless and until otherwise
14 provided by law.
- 15 5. Nonfederal funds appropriated in this item which have
16 been budgeted to meet the state's Temporary Assis-
17 tance for Needy Families maintenance-of-effort require-
18 ment established pursuant to the federal Personal Re-
19 sponsibility and Work Opportunity Reconciliation Act
20 of 1996 (P.L. 104-193) may not be expended in any
21 way that would cause their disqualification as a feder-
22 ally allowable maintenance-of-effort expenditure.
- 23 6. Section 11.00 shall apply to contracts entered into for
24 the development and implementation of the Consor-
25 tium IV, Interim Statewide Automated Welfare Sys-
26 tem, Los Angeles Eligibility, Automated Determina-
27 tion, Evaluation, and Reporting, and Welfare Client
28 Data Systems consortia of the Statewide Automated
29 Welfare System.
- 30 7. Upon request of the Department of Finance, the Con-
31 troller shall transfer funds between this item and Item
32 5180-153-0001 as needed to reflect the estimated ex-
33 penditure amounts for each county that opts into the
34 Title IV-E Child Welfare Waiver Demonstration Pro-
35 ject pursuant to Section 18260 of the Welfare and In-
36 stitutions Code. The Department of Finance shall re-
37 port to the Legislature the amount to be transferred
38 pursuant to this provision. The transfer shall be autho-
39 rized at the time the report is made.

40

SEC. 36. Item 5180-141-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

5180-141-0890—For local assistance, Department of Social Services, for payment to Item 5180-141-0001, payable from the Federal Trust Fund..... 654,831,000

Provisions:

- Provisions 2, 3, 4, 6, and 7 of Item 5180-141-0001 also apply to this item.

SEC. 37. Item 5180-151-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

5180-151-0001—For local assistance, Department of Social Services..... 757,135,000

Schedule:

- 25.30-Children and Adult Services and Licensing..... 2,151,082,000
- 25.35-Special Programs..... 22,682,000
- Reimbursements..... -143,894,000
- Amount payable from the Child Health and Safety Fund (Item 5180-151-0279)..... -1,264,000
- Amount payable from the State Children's Trust Fund (Item 5180-151-0803)..... -3,755,000
- Amount payable from the Federal Trust Fund (Item 5180-151-0890)..... -1,263,716,000
- Amount payable from the Child Welfare Services Program Improvement Fund (Item 5180-151-8023)..... -4,000,000

Provisions:

- Provision 1 of Item 5180-101-0001 also applies to this item.
- Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed \$50,000,000 shall be made available from the General Fund from funds not otherwise appropriated, to cover the federal share

1 of costs of a program when the federal funds have not
2 been received by this state prior to the usual time for
3 transmitting that federal share to the counties of this
4 state. That loan from the General Fund shall be repaid
5 when the federal share of costs for the program be-
6 comes available.

- 7 3. The Department of Finance may authorize the estab-
8 lishment of positions and transfer of amounts from
9 this item to Item 5180-001-0001, in order to allow the
10 state to perform the facilities evaluation function of
11 Community Care Licensing in the event the counties
12 fail to perform that function.

- 13 4. Nonfederal funds appropriated in this item which have
14 been budgeted to meet the state's Temporary Assis-
15 tance for Needy Families maintenance-of-effort require-
16 ment established pursuant to the federal Personal Re-
17 sponsibility and Work Opportunity Reconciliation Act
18 of 1996 (P.L. 104-193) may not be expended in any
19 way that would cause their disqualification as a feder-
20 ally allowable maintenance-of-effort expenditure.

- 21 5. The Department of Finance may authorize the estab-
22 lishment of positions and transfer of amounts from
23 this item to Item 5180-001-0001, in order to allow the
24 state to perform the adoptions function in the event
25 that a county notifies the State Department of Social
26 Services that it intends to cease performing that func-
27 tion.

- 28 6. (a) Of the amount appropriated in this item,
29 \$57,836,000 shall be provided to counties to fund
30 additional child welfare services activities and
31 shall be allocated based on child welfare services
32 caseload and county unit costs. However, no
33 county shall receive less than \$100,000. These
34 funds shall be expressly targeted for emergency
35 response, family reunification, family mainte-
36 nance, and permanent placement services and
37 shall be used to supplement, and shall not be used
38 to supplant, child welfare services funds. A
39 county is not required to provide a match of the
40 funds received pursuant to this provision if the

1 county appropriates the required full match for
2 the county's child welfare services program exclu-
3 sive of the funds received pursuant to this provi-
4 sion. These funds are available only to counties
5 that have certified that they are fully utilizing the
6 Child Welfare Services/Case Management System
7 (CWS/CMS) or have entered into an agreed-upon
8 plan with the State Department of Social Services
9 outlining the steps that will be taken to achieve
10 full utilization. The department shall reallocate
11 any funds that counties choose not to accept under
12 this provision, to other counties based on the allo-
13 cation formula specified in this provision.

14 (b) The department, in collaboration with the County
15 Welfare Directors Association and representatives
16 from labor groups representing social workers,
17 shall develop the definition of full utilization of
18 the CWS/CMS, the method for measuring full
19 utilization, the process for the state and counties
20 to work together to move counties toward full
21 utilization, and measurements of progress toward
22 full utilization.

23 7. The State Department of Social Services shall consult
24 with the counties, children's advocates, and current
25 and former foster youth in the development and imple-
26 mentation of permanency and youth services initia-
27 tives.

28 8. Upon request by the Department of Finance, the Con-
29 troller shall transfer funds between this item and Item
30 5180-153-0001 as needed to reflect the estimated ex-
31 penditure amounts for each county that opts into the
32 Title IV-E Child Welfare Waiver Demonstration Pro-
33 ject pursuant to Section 18260 of the Welfare and In-
34 stitutions Code. The Department of Finance shall re-
35 port to the Legislature the amount to be transferred
36 pursuant to this provision. The transfer shall be autho-
37 rized at the time the report is made.

38
39 SEC. 38. Item 5180-151-0890 of Section 2.00 of the Budget
40 Act of 2008 is amended to read:

5180-151-0890—For local assistance, Department of Social
 Services, for payment to Item 5180-151-0001, payable
 from the Federal Trust Fund..... 1,263,716,000

Provisions:

1. Provisions 1, 3, 5, 6, and 8 of Item 5180-151-0001
 also apply to this item.

~~SEC. 39. Item 5225-001-0001 of Section 2.00 of the Budget
 Act of 2008 is amended to read:~~

5225-001-0001—For support of Department of Corrections
 and Rehabilitation..... 7,059,567,000

Schedule:

- (1) 10-Corrections and Rehabilitation Ad-
 ministration..... 461,796,000
- (3) 15-Corrections Standards Authority..... 11,794,000
- (4) 20-Juvenile Operations..... 263,488,000
- (5) 21-Juvenile Education, Vocations, and
 Offender Programs..... 5,529,000
- (6) 22-Juvenile Paroles..... 34,098,000
- (7) 23-Juvenile Health Care..... 112,786,000
- (8) 25-Adult Corrections and Rehabilita-
 tion Operations..... 4,899,465,000
- (9) 30-Parole Operations—Adult..... 803,281,000
- (10) 35-Board of Parole Hearings..... 105,982,000
- (11) 40-Community Partnerships..... 15,030,000
- (12) 45-Education, Vocations, and Offender
 Programs—Adult..... 548,331,000
- (13) Reimbursements..... -126,998,000
- (14) Amount payable from the Corrections
 Training Fund (Item 5225-001-0170).... -2,608,000
- (15) Amount payable from the Federal Trust
 Fund (Item 5225-001-0890)..... -7,332,000
- (16) Amount payable from the Inmate
 Welfare Fund (Item 5225-001-
 0917)..... -65,075,000

Provisions:

1. Any funds recovered as a result of audits of locally
 operated return-to-custody centers shall revert to the
 General Fund.

- 1 2. ~~When contracting with counties for vacant jail beds~~
2 ~~for any inmate under the jurisdiction of the Secretary~~
3 ~~of the Department of Corrections and Rehabilitation;~~
4 ~~the department shall not reimburse counties more than~~
5 ~~the average amount it costs the state to provide the~~
6 ~~same services in comparable state institutions. This~~
7 ~~restriction shall not apply to any existing contract, but~~
8 ~~shall apply to the extension or renewal of that contract.~~
9 ~~In addition, the total operational cost of incarcerating~~
10 ~~state inmates in leased county jail beds (which includes~~
11 ~~state costs, but is exclusive of one-time and capital~~
12 ~~outlay costs) shall not exceed the department's average~~
13 ~~cost for operating comparable institutions.~~
14 3. ~~Notwithstanding any other provision of law, but sub-~~
15 ~~ject to providing 30 days' prior notification to the Joint~~
16 ~~Legislative Budget Committee, funds appropriated in~~
17 ~~Schedule (8) or (9), or both, may be transferred to Item~~
18 ~~5225-101-0001, Schedule (7), upon order of the Direc-~~
19 ~~tor of Finance, to provide funds for the reimbursement~~
20 ~~of counties for the cost of holding parole violators in~~
21 ~~local jail.~~
22 4. ~~Not later than 60 days following enactment of this act,~~
23 ~~and subsequently on February 10 and upon release of~~
24 ~~the May Revision, the Secretary of the Department of~~
25 ~~Corrections and Rehabilitation shall submit to the Di-~~
26 ~~rector of Finance the Post Assignment Schedule for~~
27 ~~each adult institution, reconciled to budgeted authority~~
28 ~~and consistent with approved programs, along with~~
29 ~~allotments consistent with the reconciled Post Assign-~~
30 ~~ment Schedule for each adult institution.~~
31 5. ~~Not later than February 17, 2009, the Secretary of the~~
32 ~~Department of Corrections and Rehabilitation shall~~
33 ~~submit to the chairpersons and vice chairpersons of~~
34 ~~the committees in both houses of the Legislature that~~
35 ~~consider the State Budget and to the Legislative Ana-~~
36 ~~lyst's Office an operating budget for each of the cor-~~
37 ~~rectional facilities under the control of the department.~~
38 ~~Specifically, the report shall include: (a) year-end ex-~~
39 ~~penditures by program for each institution in the~~
40 ~~2007-08 fiscal year, (b) allotments and projected ex-~~

penditures by program for each institution in the 2008–09 fiscal year, (c) the number of authorized and vacant positions, estimated overtime budget, estimated benefits budget, and operating expense and equipment budget for each institution, and (d) a list of all capital outlay projects occurring or projected to occur during the 2008–09 fiscal year.

6. Funds appropriated to accommodate projected adult institutional and parolee population levels in excess of those that actually materialize, if any, shall revert to the General Fund.

7. Of the amount appropriated in this item, \$87,341,000 is available for the Consolidated Information Technology Infrastructure Project. Upon determination of the project costs that can be financed using GS \$mart, any balance in excess of the amounts needed for 2008–09 payments shall revert to the General Fund upon order of the Director of Finance. Up to \$45,856,000 may be reverted.

8. The Director of Finance may augment this item by up to \$15,000,000 upon approval of a Feasibility Study Report or a Special Project Report by the office of the State Chief Information Officer that identifies a gap and a need for an information technology solution between the development of the Strategic Offender Management System, the Disability and Effective Communication System, and the requirements of the *Armstrong v. Schwarzenegger* court orders. Any augmentation shall be authorized no sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee or his or her designee may determine.

9. Notwithstanding any other provision of law, upon order of the Director of Finance, funds appropriated in Schedules (8) and (12) may be transferred between each other for the sole purpose of reconciling expenditures in the Division of Adult Institutions with expenditures in the Division of Adult Education, Vocation, and Offender Programs in order to comply with the

1 April 3, 2007, court order, in the case of Valdivia v.
2 Schwarzenegger. Transfers between Schedules (8) and
3 (12) shall occur no sooner than 30 days after notifica-
4 tion to the Joint Legislative Budget Committee of ac-
5 tual utilization of In-Custody Treatment Program beds
6 by parole region and how this utilization necessitates
7 the transfer of funds.

8 10. The Department of Corrections and Rehabilitation
9 (DCR) shall continue its efforts in consultation with
10 legislative staff and the Department of Finance to
11 create a more accurate and transparent population
12 budget request for caseload-related funding. In partic-
13 ular, DCR shall identify appropriate funding formulas
14 to use to estimate staffing levels and funding associat-
15 ed with changes in the projected inmate population.
16 These formulas shall be presented to the Legislature
17 no later than January 10, 2009, so as to be considered
18 during budget deliberations. If approved, these formu-
19 las shall be incorporated into DCR's budget request
20 the following year.

21 11. Of the amount appropriated in Schedule (1),
22 \$3,270,000 is for contract costs to provide employees
23 of the Department of Corrections and Rehabilitation
24 with tuberculosis testing and Hepatitis B vaccinations.
25 Any funds not expended for this purpose by June 30,
26 2009, shall revert to the General Fund. The Department
27 of Corrections and Rehabilitation shall report actual
28 contract expenditures to the Department of Finance.

29 12. The process to award local jail bond funding, autho-
30 rized pursuant to Chapter 7 of the Statutes of 2007,
31 shall be finalized by the Corrections Standard Author-
32 ity prior to the activation of the Northern California
33 Reentry Facility.

34 13. The Department of Corrections and Rehabilitation
35 shall establish and implement a system for ensuring
36 consistent reporting of the utilization of funding pro-
37 vided in this item for aftercare rehabilitation services.
38 This information shall be reported to the Legislature
39 in the Governor's 2009-10 January budget proposal.

14. (a) The funds appropriated in this item are restricted for use by the Department of Corrections and Rehabilitation for the specific programmatic and operational purposes specified in the Supplemental Report of the Budget Act of 2008. The department shall provide two reports identifying its progress toward expending these funds during the 2008-09 fiscal year to the fiscal committees of both houses of the Legislature beginning on October 1, 2008. The first report shall be due February 1, 2009, and shall separately detail the activities of the first two quarters of the 2008-09 fiscal year. The second report shall be due May 1, 2009, and shall display the activities for the third quarter of the 2008-09 fiscal year. The funds identified in the Supplemental Report of the Budget Act of 2008 shall be utilized for the purposes specified, and any unspent funds shall revert to the General Fund.
- (b) In situations where fluctuations in population result in lower expenditure levels as identified in the department's population budget change proposals, these savings shall be captured in the population funding estimates and may be used to offset other population-related expenditure increases.
- (c) After providing a 30-day notification period to the Joint Legislative Budget Committee, the department may expend funds identified in the Supplemental Report of the Budget Act of 2008 on other identified needs.

SEC. 40. Item 5225-002-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

5225-002-0001—For support of Department of Corrections and Rehabilitation..... 2,324,590,000

Schedule:

(1) 10-Corrections and Rehabilitation Administration..... 8,314,000

(2)	25-Adult Corrections and Rehabilitation operations.....	285,922,000
(3)	50.10-Medical Services—Adult.....	1,329,096,000
(4)	50.20-Dental Services—Adult.....	115,144,000
(5)	50.30-Mental Health Services—Adult.....	311,658,000
(6)	50.40-Ancillary Health Care Services—Adult.....	215,839,000
(7)	50.50-Dental and Mental Health Services Administration—Adult.....	60,818,000
(8)	Reimbursements.....	-2,201,000

Provisions:

1. On February 14, 2006, the United States District Court in the case of Plata v. Schwarzenegger (No. C01-1351 THE) suspended the exercise by the Secretary of the Department of Corrections and Rehabilitation of all powers related to the administration, control, management, operation, and financing of the California prison medical health care system. The court ordered that all such powers vested in the Secretary of the Department of Corrections and Rehabilitation were to be performed by a Receiver appointed by the court commencing April 17, 2006, until further order of the court. The Director of the Division of Correctional Health Care Services of the Department of Corrections and Rehabilitation is to administer this item to the extent directed by the Receiver.
2. Notwithstanding any other provision of law, the Department of Corrections and Rehabilitation is not required to competitively bid for health services contracts in cases where contracting experience or history indicates that only one qualified bid will be received.
3. Notwithstanding Section 13324 of the Government Code or Section 32.00 of this act, no state employee shall be held personally liable for any expenditure or the creation of any indebtedness in excess of the amounts appropriated therefor as a result of complying with the directions of the Receiver or orders of the United States District Court in Plata v. Schwarzenegger.

- 1 4. ~~The amounts appropriated in Schedules (3) and (6)~~
2 ~~are available for expenditure by the Receiver appointed~~
3 ~~by the Plata v. Schwarzenegger court to carry out its~~
4 ~~mission to deliver constitutionally adequate medical~~
5 ~~care to inmates.~~
- 6 5. ~~The amounts appropriated in Schedules (4), (5), and~~
7 ~~(7) are available for expenditure by the Department~~
8 ~~of Corrections and Rehabilitation to provide mental~~
9 ~~health and dental services only.~~
- 10 6. ~~Of the funds appropriated for the Receiver in Sched-~~
11 ~~ules (2), (3), and (6), \$253,807,000 is available for~~
12 ~~expenditure only for the purposes identified below and~~
13 ~~any unexpended funds shall revert to the General Fund:~~
 - 14 (a) ~~Health Care Access Units: \$110,020,000~~
 - 15 (b) ~~Health Care Guarding and Transportation:~~
16 ~~\$89,328,000~~
 - 17 (c) ~~Central Fill Pharmacy: \$8,621,000~~
 - 18 (d) ~~Pharmaceuticals and Medical Supplies:~~
19 ~~\$45,838,000~~
- 20 7. (a) ~~The funds appropriated in this item are restricted~~
21 ~~for use by the Department of Corrections and re-~~
22 ~~habilitation for the specific programmatic and~~
23 ~~operational purposes specified in the Supplemental~~
24 ~~Report of the Budget Act of 2008. The depart-~~
25 ~~ment shall provide two reports identifying its~~
26 ~~progress toward expending these funds during the~~
27 ~~2008-09 fiscal year to the fiscal committees of~~
28 ~~both houses of the Legislature beginning on Octo-~~
29 ~~ber 1, 2008. The first report shall be due February~~
30 ~~1, 2009, and shall separately detail the activities~~
31 ~~of the first two quarters of the 2008-09 fiscal year.~~
32 ~~The second report shall be due May 1, 2009, and~~
33 ~~shall display the activities for the third quarter of~~
34 ~~the 2008-09 fiscal year. The funds identified in~~
35 ~~the Supplemental Report of the Budget Act of~~
36 ~~2008 shall be utilized for the purposes specified,~~
37 ~~and any unspent funds shall revert to the General~~
38 ~~Fund.~~
 - 39 (b) ~~In situations where fluctuations in population re-~~
40 ~~sult in lower expenditure levels as identified in~~

the department's population budget change proposals, these savings shall be captured in the population funding estimates and may be used to offset other population-related expenditure increases:

- (c) After providing a 30-day notification period to the Joint Legislative Budget Committee, the department may expend funds identified in the Supplemental Report of the Budget Act of 2008 on other identified needs:

- 8. The Department of Corrections and Rehabilitation is required to submit a Budget Change Proposal to request funding to support positions authorized in the Mental Health Staffing Workload Study.

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SEC. 41. Item 5225-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

5225-101-0001—For local assistance, Department of Corrections and Rehabilitation..... 216,059,000

Schedule:

- (1) 15-Corrections Standards Authority.... 182,107,000
- (2) 20-Juvenile Operations..... 78,000
- (3) 22-Juvenile Paroles..... 1,403,000
- (4) 25.15.010-Adult Corrections and Rehabilitation—Operations—Transportation of Inmates..... 278,000
- (5) 25.15.020-Adult Corrections and Rehabilitation—Operations—Return of Fugitives..... 2,593,000
- (6) 25.30-Adult Corrections and Rehabilitation Operations—County Charges..... 16,480,000
- (7) 30-Parole Operations—Adult..... 13,120,000

Provisions:

- 1. The amount appropriated in Schedules (4), (5), (6), and (7) is provided for the following purposes:
 - (a) To pay the transportation costs of prisoners to and between state prisons, including the return of parole violators to prison and for the conveying of persons under provisions of Division 3 (commence-

ing with Section 3000) of the Welfare and Institutions Code and the Western Interstate Corrections Compact (Section 11190 of the Penal Code), in accordance with Section 26749 of the Government Code. Claims filed by local jurisdictions shall be filed within six months after the end of the month in which those transportation costs are incurred. Expenditures shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller. Claims filed by local jurisdictions directly with the Controller may be paid by the Controller.

(b) To pay the expenses of returning fugitives from justice from outside the state, in accordance with Sections 1389, 1549, and 1557 of the Penal Code. Claims filed by local jurisdictions shall be filed within six months after the end of the month in which expenses are incurred. Expenditures shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller, and any restitution received by the state for those expenses shall be credited to the appropriation of the year in which the Controller's receipt is issued. Claims filed by local jurisdictions directly with the Controller may be paid by the Controller.

(c) To pay county charges, payable under Sections 4700.1, 4750 to 4755, inclusive, and 6005 of the Penal Code. Claims shall be filed by local jurisdictions within six months after the end of the month in which a service is performed by the coroner, a hearing is held on the return of a writ of habeas corpus, the district attorney declines to prosecute a case referred by the Department of Corrections and Rehabilitation, a judgment is rendered for a court hearing or trial, an appeal ruling is rendered for the trial judgment, or an activity is performed as permitted by these sec-

tions. Expenditures shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller. Claims filed by local jurisdictions directly with the Controller may be paid by the Controller.

(d) To reimburse counties for the cost of detaining state parolees pursuant to Section 4016.5 of the Penal Code. Claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred. Claims filed by local jurisdictions may not include booking fees, may not recover detention costs in excess of \$77.17 per day, and shall be limited to the detention costs for those days on which parolees are held subject only to a Department of Corrections and Rehabilitation request pursuant to subdivision (b) of Section 4016.5 of the Penal Code. Expenditures shall be charged to either the fiscal year in which the claim is received by the Department of Corrections and Rehabilitation or the fiscal year in which the warrant is issued.

2. Notwithstanding any other provision of law, upon 30-day prior notification to the Chairperson of the Joint Legislative Budget Committee, funds appropriated in Schedule (7) of this item may be transferred to Schedule (8) or (9), or both, of Item 5225-001-0001, upon order of the Director of Finance, to provide funds for the reimbursement of counties for the cost of holding parole violators in local jails or for the auditing or monitoring of local assistance costs.

3. The amounts appropriated in Schedules (2) and (3) are provided for the following purposes:

(a) To pay the transportation costs of persons committed to the Department of Corrections and Rehabilitation to or between its facilities, including the return of parole violators, provided that expenditures made under this item shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the

warrant is issued by the Controller. However, claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred.

- (b) To reimburse counties, pursuant to Section 1776 of the Welfare and Institutions Code, for the cost of the detention of the Department of Corrections and Rehabilitation parolees who are detained on alleged parole violations, provided that expenditures made under this item shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller. However, claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred.

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SEC. 39. Item 5225-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

5225-001-0001—For support of Department of Corrections and Rehabilitation.....	6,830,378,000
	7,173,074,000
Schedule:	
(1) 10-Corrections and Rehabilitation Administration.....	461,767,995
	461,796,000
(3) 15-Corrections Standards Authority.....	11,794,000
(4) 20-Juvenile Operations.....	263,488,000
(5) 21-Juvenile Education, Vocations, and Offender Programs.....	5,529,000
(6) 22-Juvenile Paroles.....	34,098,000
(7) 23-Juvenile Health Care.....	112,786,000
(8) 25-Adult Corrections and Rehabilitation Operations.....	4,718,297,000
	4,974,568,000
(9) 30-Parole Operations—Adult.....	752,323,000
	841,685,000
(10) 35-Board of Parole Hearings.....	105,982,000

1	(11) 40-Community Partnerships.....	15,145,000
2		15,030,000
3	(12) 45-Education, Vocations, and Offender	
4	Programs—Adult.....	551,181,005
5		548,331,000
6	(13) Reimbursements.....	-126,998,000
7	(14) Amount payable from the Corrections	
8	Training Fund (Item 5225-001-0170)....	-2,608,000
9	(15) Amount payable from the Federal Trust	
10	Fund (Item 5225-001-0890).....	-7,332,000
11	(16) Amount payable from the Inmate	
12	Welfare Fund (Item 5225-001-	
13	0917).....	-65,075,000
14	Provisions:	
15	1. Any funds recovered as a result of audits of locally	
16	operated return-to-custody centers shall revert to the	
17	General Fund.	
18	2. When contracting with counties for vacant jail beds	
19	for any inmate under the jurisdiction of the Secretary	
20	of the Department of Corrections and Rehabilitation,	
21	the department shall not reimburse counties more than	
22	the average amount it costs the state to provide the	
23	same services in comparable state institutions. This	
24	restriction shall not apply to any existing contract, but	
25	shall apply to the extension or renewal of that contract.	
26	In addition, the total operational cost of incarcerating	
27	state inmates in leased county jail beds (which includes	
28	state costs, but is exclusive of one-time and capital	
29	outlay costs) shall not exceed the department's average	
30	cost for operating comparable institutions.	
31	3. Notwithstanding any other provision of law, but sub-	
32	ject to providing 30 days' prior notification to the Joint	
33	Legislative Budget Committee, funds appropriated in	
34	Schedule (8) or (9), or both, may be transferred to Item	
35	5225-101-0001, Schedule (7), upon order of the Direc-	
36	tor of Finance, to provide funds for the reimbursement	
37	of counties for the cost of holding parole violators in	
38	local jail.	
39	4. Not later than 60 days following enactment of this act,	
40	and subsequently on February 10 and upon release of	

1 the May Revision, the Secretary of the Department of
2 Corrections and Rehabilitation shall submit to the Di-
3 rector of Finance the Post Assignment Schedule for
4 each adult institution, reconciled to budgeted authority
5 and consistent with approved programs, along with
6 allotments consistent with the reconciled Post Assign-
7 ment Schedule for each adult institution.

- 8 5. Not later than February 17, 2009, the Secretary of the
9 Department of Corrections and Rehabilitation shall
10 submit to the chairpersons and vice chairpersons of
11 the committees in both houses of the Legislature that
12 consider the State Budget and to the Legislative Ana-
13 lyst's Office an operating budget for each of the cor-
14 rectional facilities under the control of the department.
15 Specifically, the report shall include: (a) year-end ex-
16 penditures by program for each institution in the
17 2007–08 fiscal year, (b) allotments and projected ex-
18 penditures by program for each institution in the
19 2008–09 fiscal year, (c) the number of authorized and
20 vacant positions, estimated overtime budget, estimated
21 benefits budget, and operating expense and equipment
22 budget for each institution, and (d) a list of all capital
23 outlay projects occurring or projected to occur during
24 the 2008–09 fiscal year.

- 25 6. Funds appropriated to accommodate projected adult
26 institutional and parolee population levels in excess
27 of those that actually materialize, if any, shall revert
28 to the General Fund.

- 29 7. Of the amount appropriated in this item, \$87,341,000
30 is available for the Consolidated Information Technol-
31 ogy Infrastructure Project. Upon determination of the
32 project costs that can be financed using GS \$mart, any
33 balance in excess of the amounts needed for 2008–09
34 payments shall revert to the General Fund upon order
35 of the Director of Finance. Up to \$45,856,000 may be
36 reverted.

- 37 8. The Director of Finance may augment this item by up
38 to \$15,000,000 upon approval of a Feasibility Study
39 Report or a Special Project Report by the office of the
40 State Chief Information Officer that identifies a gap

1 and a need for an information technology solution
2 between the development of the Strategic Offender
3 Management System, the Disability and Effective
4 Communication System, and the requirements of the
5 *Armstrong v. Schwarzenegger* court orders. Any aug-
6 mentation shall be authorized no sooner than 30 days
7 after notification in writing to the Chairperson of the
8 Joint Legislative Budget Committee, or not sooner
9 than whatever lesser time the chairperson of the joint
10 committee or his or her designee may determine.

11 9. Notwithstanding any other provision of law, upon order
12 of the Director of Finance, funds appropriated in
13 Schedules (8) and (12) may be transferred between
14 each other for the sole purpose of reconciling expendi-
15 tures in the Division of Adult Institutions with expen-
16 ditures in the Division of Adult Education, Vocation,
17 and Offender Programs in order to comply with the
18 April 3, 2007, court order, in the case of *Valdivia v.*
19 *Schwarzenegger*. Transfers between Schedules (8) and
20 (12) shall occur no sooner than 30 days after notifica-
21 tion to the Joint Legislative Budget Committee of ac-
22 tual utilization of In-Custody Treatment Program beds
23 by parole region and how this utilization necessitates
24 the transfer of funds.

25 10. The Department of Corrections and Rehabilitation
26 (DCR) shall continue its efforts in consultation with
27 legislative staff and the Department of Finance to
28 create a more accurate and transparent population
29 budget request for caseload-related funding. In partic-
30 ular, DCR shall identify appropriate funding formulas
31 to use to estimate staffing levels and funding associat-
32 ed with changes in the projected inmate population.
33 These formulas shall be presented to the Legislature
34 no later than January 10, 2009, so as to be considered
35 during budget deliberations. If approved, these formu-
36 las shall be incorporated into DCR's budget request
37 the following year.

38 11. Of the amount appropriated in Schedule (1),
39 \$3,270,000 is for contract costs to provide employees
40 of the Department of Corrections and Rehabilitation

1 with tuberculosis testing and Hepatitis B vaccinations.
2 Any funds not expended for this purpose by June 30,
3 2009, shall revert to the General Fund. The Department
4 of Corrections and Rehabilitation shall report actual
5 contract expenditures to the Department of Finance.

- 6 12. The process to award local jail bond funding, autho-
7 rized pursuant to Chapter 7 of the Statutes of 2007,
8 shall be finalized by the Corrections Standard Author-
9 ity prior to the activation of the Northern California
10 Reentry Facility.

- 11 13. The Department of Corrections and Rehabilitation
12 shall establish and implement a system for ensuring
13 consistent reporting of the utilization of funding pro-
14 vided in this item for aftercare rehabilitation services.
15 This information shall be reported to the Legislature
16 in the Governor's 2009–10 January budget proposal.

- 17 14. (a) The funds appropriated in this item are restricted
18 for use by the Department of Corrections and
19 Rehabilitation for the specific programmatic and
20 operational purposes specified in the Supplemen-
21 tal Report of the Budget Act of 2008. The depart-
22 ment shall provide two reports identifying its
23 progress toward expending these funds during the
24 2008–09 fiscal year to the fiscal committees of
25 both houses of the Legislature beginning on Octo-
26 ber 1, 2008. The first report shall be due February
27 1, 2009, and shall separately detail the activities
28 of the first two quarters of the 2008–09 fiscal year.
29 The second report shall be due May 1, 2009, and
30 shall display the activities for the third quarter of
31 the 2008–09 fiscal year. The funds identified in
32 the Supplemental Report of the Budget Act of
33 2008 shall be utilized for the purposes specified,
34 and any unspent funds shall revert to the General
35 Fund.

- 36 (b) In situations where fluctuations in population re-
37 sult in lower expenditure levels as identified in
38 the department's population budget change pro-
39 posals, these savings shall be captured in the
40 population funding estimates and may be used to

offset other population-related expenditure increases.

- (c) After providing a 30-day notification period to the Joint Legislative Budget Committee, the department may expend funds identified in the Supplemental Report of the Budget Act of 2008 on other identified needs.

SEC. 40. Item 5225-002-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

5225-002-0001—For support of Department of Corrections and Rehabilitation..... ~~2,293,414,000~~
2,341,135,000

Schedule:

- (1) 10-Corrections and Rehabilitation Administration..... 8,314,000
- (2) 25-Adult Corrections and Rehabilitation operations..... 285,922,000
- (3) 50.10-Medical Services—Adult..... ~~1,302,213,000~~
1,343,233,000
- (4) 50.20-Dental Services—Adult..... ~~110,689,000~~
117,552,000
- (5) 50.30-Mental Health Services—Adult..... ~~311,820,000~~
311,658,000
- (6) 50.40-Ancillary Health Care Services—Adult..... 215,839,000
- (7) 50.50-Dental and Mental Health Services Administration—Adult..... 60,818,000
- (8) Reimbursements..... -2,201,000

Provisions:

1. On February 14, 2006, the United States District Court in the case of Plata v. Schwarzenegger (No. C01-1351 THE) suspended the exercise by the Secretary of the Department of Corrections and Rehabilitation of all powers related to the administration, control, management, operation, and financing of the California prison medical health care system. The court ordered that all such powers vested in the Secretary of the Department

1 of Corrections and Rehabilitation were to be performed
2 by a Receiver appointed by the court commencing
3 April 17, 2006, until further order of the court. The
4 Director of the Division of Correctional Health Care
5 Services of the Department of Corrections and Reha-
6 bilitation is to administer this item to the extent direct-
7 ed by the Receiver.

- 8 2. Notwithstanding any other provision of law, the De-
9 partment of Corrections and Rehabilitation is not re-
10 quired to competitively bid for health services con-
11 tracts in cases where contracting experience or history
12 indicates that only one qualified bid will be received.
- 13 3. Notwithstanding Section 13324 of the Government
14 Code or Section 32.00 of this act, no state employee
15 shall be held personally liable for any expenditure or
16 the creation of any indebtedness in excess of the
17 amounts appropriated therefor as a result of complying
18 with the directions of the Receiver or orders of the
19 United States District Court in *Plata v. Schwarzeneg-*
20 *ger*.
- 21 4. The amounts appropriated in Schedules (3) and (6)
22 are available for expenditure by the Receiver appointed
23 by the *Plata v. Schwarzenegger* court to carry out its
24 mission to deliver constitutionally adequate medical
25 care to inmates.
- 26 5. The amounts appropriated in Schedules (4), (5), and
27 (7) are available for expenditure by the Department
28 of Corrections and Rehabilitation to provide mental
29 health and dental services only.
- 30 6. Of the funds appropriated for the Receiver in Sched-
31 ules (2), (3), and (6), \$253,807,000 is available for
32 expenditure only for the purposes identified below and
33 any unexpended funds shall revert to the General Fund:
 - 34 (a) Health Care Access Units: \$110,020,000
 - 35 (b) Health Care Guarding and Transportation:
36 \$89,328,000
 - 37 (c) Central Fill Pharmacy: \$8,621,000
 - 38 (d) Pharmaceuticals and Medical Supplies:
39 \$45,838,000

- 1 7. (a) The funds appropriated in this item are restricted
2 for use by the Department of Corrections and re-
3 habilitation for the specific programmatic and
4 operational purposes specified in the Supplemen-
5 tal Report of the Budget Act of 2008. The depart-
6 ment shall provide two reports identifying its
7 progress toward expending these funds during the
8 2008–09 fiscal year to the fiscal committees of
9 both houses of the Legislature beginning on Octo-
10 ber 1, 2008. The first report shall be due February
11 1, 2009, and shall separately detail the activities
12 of the first two quarters of the 2008–09 fiscal year.
13 The second report shall be due May 1, 2009, and
14 shall display the activities for the third quarter of
15 the 2008–09 fiscal year. The funds identified in
16 the Supplemental Report of the Budget Act of
17 2008 shall be utilized for the purposes specified,
18 and any unspent funds shall revert to the General
19 Fund.
20 (b) In situations where fluctuations in population re-
21 sult in lower expenditure levels as identified in
22 the department’s population budget change pro-
23 posals, these savings shall be captured in the
24 population funding estimates and may be used to
25 offset other population-related expenditure increas-
26 es.
27 (c) After providing a 30-day notification period to
28 the Joint Legislative Budget Committee, the de-
29 partment may expend funds identified in the
30 Supplemental Report of the Budget Act of 2008
31 on other identified needs.
32 8. The Department of Corrections and Rehabilitation is
33 required to submit a Budget Change Proposal to re-
34 quest funding to support positions authorized in the
35 Mental Health Staffing Workload Study.
36

37 *SEC. 41. Item 5225-101-0001 of Section 2.00 of the Budget*
38 *Act of 2008 is amended to read:*

1	5225-101-0001—For local assistance, Department of Correc-	
2	tions and Rehabilitation.....	64,217,000
3		246,671,000
4	Schedule:	
5	(1) 15-Corrections Standards Authority....	30,265,000
6		182,107,000
7	(2) 20-Juvenile Operations.....	78,000
8	(3) 22-Juvenile Paroles.....	1,403,000
9	(4) 25.15.010-Adult Corrections and Reha-	
10	bilitation Operations—Transportation	
11	of Inmates.....	278,000
12	(5) 25.15.020-Adult Corrections and Reha-	
13	bilitation Operations—Return of Fugi-	
14	tives.....	2,593,000
15	(6) 25.30-Adult Corrections and Rehabilita-	
16	tion Operations—County Charges.....	16,480,000
17	(7) 30-Parole Operations—Adult.....	13,120,000
18		43,732,000
19	Provisions:	
20	1. The amount appropriated in Schedules (4), (5), (6),	
21	and (7) is provided for the following purposes:	
22	(a) To pay the transportation costs of prisoners to and	
23	between state prisons, including the return of pa-	
24	role violators to prison and for the conveying of	
25	persons under provisions of Division 3 (commenc-	
26	ing with Section 3000) of the Welfare and Institu-	
27	tions Code and the Western Interstate Corrections	
28	Compact (Section 11190 of the Penal Code), in	
29	accordance with Section 26749 of the Government	
30	Code. Claims filed by local jurisdictions shall be	
31	filed within six months after the end of the month	
32	in which those transportation costs are incurred.	
33	Expenditures shall be charged to either the fiscal	
34	year in which the claim is received by the Con-	
35	troller or the fiscal year in which the warrant is	
36	issued by the Controller. Claims filed by local	
37	jurisdictions directly with the Controller may be	
38	paid by the Controller.	
39	(b) To pay the expenses of returning fugitives from	
40	justice from outside the state, in accordance with	

Sections 1389, 1549, and 1557 of the Penal Code. Claims filed by local jurisdictions shall be filed within six months after the end of the month in which expenses are incurred. Expenditures shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller, and any restitution received by the state for those expenses shall be credited to the appropriation of the year in which the Controller's receipt is issued. Claims filed by local jurisdictions directly with the Controller may be paid by the Controller.

(c) To pay county charges, payable under Sections 4700.1, 4750 to 4755, inclusive, and 6005 of the Penal Code. Claims shall be filed by local jurisdictions within six months after the end of the month in which a service is performed by the coroner, a hearing is held on the return of a writ of habeas corpus, the district attorney declines to prosecute a case referred by the Department of Corrections and Rehabilitation, a judgment is rendered for a court hearing or trial, an appeal ruling is rendered for the trial judgment, or an activity is performed as permitted by these sections. Expenditures shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller. Claims filed by local jurisdictions directly with the Controller may be paid by the Controller.

(d) To reimburse counties for the cost of detaining state parolees pursuant to Section 4016.5 of the Penal Code. Claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred. Claims filed by local jurisdictions may not include booking fees, may not recover detention costs in excess of \$77.17 per day, and shall be limited to the detention costs for those days on which

1 parolees are held subject only to a Department of
2 Corrections and Rehabilitation request pursuant
3 to subdivision (b) of Section 4016.5 of the Penal
4 Code. Expenditures shall be charged to either the
5 fiscal year in which the claim is received by the
6 Department of Corrections and Rehabilitation or
7 the fiscal year in which the warrant is issued.

- 8 2. Notwithstanding any other provision of law, upon 30-
9 day prior notification to the Chairperson of the Joint
10 Legislative Budget Committee, funds appropriated in
11 Schedule (7) of this item may be transferred to
12 Schedule (8) or (9), or both, of Item 5225-001-0001,
13 upon order of the Director of Finance, to provide funds
14 for the reimbursement of counties for the cost of
15 holding parole violators in local jails or for the auditing
16 or monitoring of local assistance costs.

- 17 3. The amounts appropriated in Schedules (2) and (3)
18 are provided for the following purposes:

- 19 (a) To pay the transportation costs of persons commit-
20 ted to the Department of Corrections and Rehabil-
21 itation to or between its facilities, including the
22 return of parole violators, provided that expendi-
23 tures made under this item shall be charged to ei-
24 ther the fiscal year in which the claim is received
25 by the Controller or the fiscal year in which the
26 warrant is issued by the Controller. However,
27 claims shall be filed by local jurisdictions within
28 six months after the end of the month in which
29 the costs are incurred.

- 30 (b) To reimburse counties, pursuant to Section 1776
31 of the Welfare and Institutions Code, for the cost
32 of the detention of the Department of Corrections
33 and Rehabilitation parolees who are detained on
34 alleged parole violations, provided that expendi-
35 tures made under this item shall be charged to ei-
36 ther the fiscal year in which the claim is received
37 by the Controller or the fiscal year in which the
38 warrant is issued by the Controller. However,
39 claims shall be filed by local jurisdictions within

six months after the end of the month in which
the costs are incurred.

SEC. 42. Item 5225-301-0001 of Section 2.00 of the Budget
Act of 2008 is amended to read:

5225-301-0001—For capital outlay, Department of Corrections
and Rehabilitation, payable from the General Fund..... 58,319,000
Schedule:
(.6) 60.26.011-O.H. Close Youth Correction-
al Facility, Stockton: Inyo Behavioral
Treatment Program Space—Construc-
tion..... 516,000
(.7) 60.26.268-O.H. Close Youth Correction-
al Facility, Stockton: Humboldt Special-
ized Counseling Program Build-
ing—Construction..... 517,000
(1) 60.26.269-N. A. Chaderjian Youth
Correctional Facility, Stockton: Sexual
Behavior Treatment Program Counsel-
ing Building No. 1—Construction..... 419,000
(2) 60.26.270-N. A. Chaderjian Youth
Correctional Facility, Stockton: Sexual
Behavior Treatment Program Counsel-
ing Building No. 2—Construction..... 517,000
(3) 61.01.001-Statewide: Budget Packages
and Advance Planning—Study..... 3,000,000
(4) 61.01.203-Statewide: Small Manage-
ment Exercise Yards—Preliminary
plans, working drawings, and construc-
tion..... 25,407,000
(5) 61.05.038-Correctional Training Facili-
ty, Soledad: Solid Cell Fronts—Working
drawings..... 498,000
(7) 61.07.107-Folsom State Prison, Represa:
Renovate Branch Circuit Wiring,
Building No. 5—Working drawings and
construction..... 1,876,000

1	(8) 61.09.038-California Medical Facility,	
2	Vacaville: Solid Cell Fronts—Construc-	
3	tion.....	6,688,000
4	(9) 61.13.016-California Institution for	
5	Women, Frontera: 20-Bed Psychiatric	
6	Services Unit—Preliminary plans and	
7	working drawings.....	747,000
8	(10) 61.14.030-Minor Projects	5,538,000
9	(11) 61.15.035-California Rehabilitation	
10	Center, Norco: Replace Men's Dorms—	
11	Working drawings.....	343,000
12	(12) 61.15.039-California Rehabilitation	
13	Center, Norco: Install Bar Screen—	
14	Preliminary plans and working draw-	
15	ings.....	113,000
16	(13) 61.16.023-Sierra Conservation Center,	
17	Jamestown: Filtration/Sedimentation	
18	Structure—Construction.....	2,579,000
19	(14) 61.18.008-Mule Creek State Prison,	
20	Ione: Wastewater Treatment Plant Im-	
21	provements—Working drawings.....	542,000
22	(16) 61.34.004-Ironwood State Prison,	
23	Blythe: Heating, Ventilation, and Air	
24	Conditioning System— Preliminary	
25	plans	5,758,000
26	(17) 61.35.014-Salinas Valley State Prison,	
27	Soledad: 180 Housing Unit Conversion	
28	and Addition to the Mental Health Ser-	
29	vices Building—Preliminary plans.....	1,694,000
30	(18) 61.35.016-Salinas Valley State Prison,	
31	Soledad: Intermediate Care Facility	
32	Treatment Space—Preliminary plans	
33	and working drawings.....	399,000
34	(19) 61.47.007-California State Prison-	
35	Sacramento, Represa: Enhanced Outpa-	
36	tient Program, Facility B Program,	
37	Treatment, and Office Space—Prelimi-	
38	nary plans.....	1,168,000

Provisions:

1. The funds appropriated in Schedule (3) are to be allocated by the Department of Corrections and Rehabilitation, upon approval by the Department of Finance, to develop design and cost information for new projects for which funds have not been previously appropriated, but for which preliminary plan funds, working drawings funds, or working drawings and construction funds are expected to be included in the 2009–10 or 2010–11 Budget Act, and for which cost estimates or preliminary plans can be developed prior to legislative hearings on the 2009–10 and 2010–11 Budget Acts, respectively. Upon approval by the Department of Finance, these funds may also be used to develop scope and cost information for projects authorized by Section 15819.40 of the Government Code. These funds may be used for all of the following: budget package development, environmental services, architectural programming, engineering assessments, schematic design, and preliminary plans. The amount appropriated in this item for these purposes is not to be construed as a commitment by the Legislature as to the amount of capital outlay funds it will appropriate in any future year. Before using these funds for preliminary plans, the Department of Corrections and Rehabilitation shall provide a 20-day notification to the Chairperson of the Joint Legislative Budget Committee, the chairpersons of the respective fiscal committee of each house of the Legislature, and the legislative members of the State Public Works Board, discussing the scope, cost, and future implications of the use of funds for preliminary plans.
2. As used in this appropriation, studies shall include site studies and suitability reports, environmental studies, master planning, architectural programming and schematics.
3. The unexpended portion of funds appropriated in Schedules (9), (17), and (18) shall be reverted if the projects for which they are appropriated are removed from the mental health bed plan, as approved by the

1 Coleman Court, and are no longer necessary to meet
2 the mental health space needs required by the Coleman
3 Court.

- 4 4. The Department of Corrections and Rehabilitation
5 shall report to, in writing, the chairpersons of the
6 committees in each house of the Legislature that con-
7 sider appropriations and the Chairperson of the Joint
8 Legislative Budget Committee by May 1, 2009, on
9 the reconciliation of the funds appropriated in Schedule
10 (10).

- 11 5. Notwithstanding any other provision of law, the funds
12 appropriated in Schedule (4) shall be subject to the
13 following:

- 14 (a) Upon approval of the Department of Finance, the
15 funds appropriated in Schedule (4) may be aug-
16 mented by up to \$8,593,000 if doing so will en-
17 able the Department of Corrections and Rehabili-
18 tation to comply with the order in Coleman v.
19 Wilson requiring completion of this project by
20 June 30, 2009. No such augmentation shall be
21 approved until the Department of Finance has
22 certified that bids have been received and that
23 approving an augmentation will enable the Depart-
24 ment of Corrections and Rehabilitation to comply
25 with the court order. Upon making such a finding,
26 the Department of Finance shall provide written
27 notification to the Joint Legislative Budget Com-
28 mittee and the chairpersons of the fiscal commit-
29 tees in each house of the Legislature at least 30
30 days prior to State Public Works Board approval
31 of the augmentation, or any lesser time the chair-
32 person of the Joint Legislative Budget Committee,
33 or his or her designee, may determine.

- 34 (b) In order to expedite the design and construction
35 of the project, the Department of Corrections and
36 Rehabilitation is authorized to perform any work
37 to be done on this project using day labor, negoti-
38 ated contract, contract made upon informal bids,
39 or a combination thereof without the necessity of
40 complying with the State Contract Act (Chapter

1 (commencing with Section 10100) of Part 2 of
2 Division 2 of the Public Contract Code) or any
3 part thereof.

4 (c) Entities may be selected by the Department of
5 Corrections and Rehabilitation subject to all of
6 the following criteria:

7 (1) The Department of Corrections and Rehabil-
8 itation shall utilize, as the primary selection
9 criteria, the demonstrated competence and
10 qualifications for the design, developing,
11 construction, rebuilding, improvement, or
12 repair, or any combination thereof, of the
13 project.

14 (2) The Department of Corrections and Rehabil-
15 itation shall ensure that the construction of
16 the project is delivered under contracts en-
17 tered into pursuant to this section at a fair and
18 reasonable price.

19 (d) If an augmentation pursuant to subdivision (a) is
20 not approved, these funds shall be available for
21 augmentation by the State Public Works Board,
22 pursuant to subdivision (e) and (g) of Section
23 13332.11 of the Government Code. No other
24 provision of Section 13332.11 of the Government
25 Code shall apply.

26 (e) All plans and specifications for the project shall
27 comply with all applicable building codes for state
28 owned facilities.

29 (f) Notwithstanding the provisions of Section 3247
30 of the Civil Code, the contractor under any con-
31 tract made under this chapter need not provide a
32 payment bond before the commencement of the
33 work but must provide a payment bond as other-
34 wise required by law prior to payment under the
35 contract.

36 (g) Other than as provided in this provision, private
37 sector methods may be used to deliver the project.
38 Specifically, the design, procurement and contract-
39 ing of the project is not subject to the State Con-
40 tract Act (Chapter 1 (commencing with Section

10100) of Part 2 of Division 2 of the Public Contract Code), Chapter 10 (commencing with Section 4525) of Division 5 of Title 1 of the Government Code, or any other provision of California law governing public procurement or public works projects.

- (h) The provisions of Section 7003 of the Penal Code shall not apply to the project.

SEC. 43. Item 5225-301-0660 of Section 2.00 of the Budget Act of 2008 is amended to read:

5225-301-0660—For capital outlay, Department of Corrections and Rehabilitation, payable from the Public Buildings Construction Fund..... 198,630,000

Schedule:

(.3) 61.07.029-Folsom State Prison, Represa:
Convert Officer and Guards Building to
Office Space—Construction..... 6,768,000

(.5) 61.10.101-California Men's Colony, San
Luis Obispo: Central Kitchen Replacement—Working drawings and construction..... 15,263,000

(1) 61.12.027-San Quentin State Prison:
Condemned Inmate Complex—Working drawings and construction..... 136,275,000

(2) 61.15.035-California Rehabilitation
Center, Norco: Replace Men's
Dorms—Construction..... 14,993,000

(3) 61.22.006-Chuckwalla Valley State Prison, Blythe: Wastewater Treatment Plant
Improvements—Construction..... 25,331,000

Provisions:

1. The State Public Works Board may issue lease-revenue bonds, notes, or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the construction of the projects authorized by this item.

2. The Department of Corrections and Rehabilitation and the State Public Works Board are authorized and directed to execute and deliver any and all leases, contracts, agreements, or other documents necessary or advisable to consummate the sale of bonds or otherwise effectuate the financing of the scheduled projects.
3. The State Public Works Board shall not be deemed a lead or responsible agency for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any activities under the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800) of Division 3 of Title 2 of the Government Code). This provision does not exempt the Department of Corrections and Rehabilitation from the requirements of the California Environmental Quality Act. This provision is declaratory of existing law.
4. Notwithstanding any other provision of law, the funds appropriated in this item shall be available for expenditure during the 2008–09 fiscal year, except appropriations for acquisitions which shall be available for expenditure until June 30, 2011, appropriations for working drawings which shall be available for expenditure until June 30, 2010, and appropriations for construction which shall be available for expenditure until June 30, 2013. In addition, the balance of the funds appropriated for construction that have not been allocated, through fund transfer or approval to bid, by the Department of Finance on or before June 30, 2011, shall revert as of that date to the fund from which the appropriation was made.

SEC. 44. Item 6110-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-001-0001—For support of Department of Education.....	42,307,000
Schedule:	
(2) 20-Instructional Support.....	174,201,000
(3) 30-Special Programs.....	54,659,000

1	(4) 40-Executive Management and Special	
2	Services.....	9,801,000
3	(6) 42.01-Department Management and	
4	Special Services.....	33,345,000
5	(7) 42.02-Distributed Department Manage-	
6	ment and Special Services.....	-33,345,000
7	(8) Reimbursements.....	-19,511,000
8	(8.5) Unallocated Reduction.....	-5,121,000
9	(9) Amount payable from Federal Trust	
10	Fund (Item 6110-001-0890).....	-171,015,000
11	(10) Amount payable from Mental Health	
12	Services Fund (Item 6110-001-3085)....	-707,000
13	Provisions:	
14	1. Notwithstanding Section 33190 of the Education Code,	
15	or any other provision of law, the State Department	
16	of Education shall expend no funds to prepare (a) a	
17	statewide summary of student performance on school	
18	district proficiency assessments or (b) a compilation	
19	of information on private schools with five or fewer	
20	pupils.	
21	2. Funds appropriated in this item may be expended or	
22	encumbered to make one or more payments under a	
23	personal services contract of a visiting educator pur-	
24	suant to Section 19050.8 of the Government Code, a	
25	long-term special consultant services contract, or an	
26	employment contract between an entity that is not a	
27	state agency and a person who is under the direct or	
28	daily supervision of a state agency, only if all of the	
29	following conditions are met:	
30	(a) The person providing service under the contract	
31	provides full financial disclosure to the Fair Polit-	
32	ical Practices Commission in accordance with the	
33	rules and regulations of the commission.	
34	(b) The service provided under the contract does not	
35	result in the displacement of any represented civil	
36	service employee.	
37	(c) The rate of compensation for salary and health	
38	benefits for the person providing service under	
39	the contract does not exceed by more than 10	
40	percent the current rate of compensation for salary	

and health benefits determined by the Department of Personnel Administration for civil service personnel in a comparable position. The payment of any other compensation or any reimbursement for travel or per diem expenses shall be in accordance with the State Administrative Manual and the rules and regulations of the California Victim Compensation and Government Claims Board.

3. The funds appropriated in this item may not be expended for any REACH program.
4. The funds appropriated in this item may not be expended for the development or dissemination of program advisories, including, but not limited to, program advisories on the subject areas of reading, writing, and mathematics, unless explicitly authorized by the State Board of Education.
5. Of the funds appropriated in this item, \$206,000 shall be available as matching funds for the Department of Rehabilitation to provide coordinated services to disabled pupils. Expenditure of the funds shall be identified in the memorandum of understanding or other written agreement with the Department of Rehabilitation to ensure an appropriate match to federal vocational rehabilitation funds.
6. Of the funds appropriated in this item, no less than \$2,420,000 is available for support of child care services, including state preschool.
7. Of the funds appropriated in this item, \$164,000 is provided solely for the purpose of funding existing positions from within the State Department of Education to provide the Curriculum Development and Supplemental Materials Commission with subject matter specialists.
8. Of the funds appropriated in this item, \$200,000 is available for a review of proposals submitted by school districts that wish to participate in the Mathematics and Reading Professional Development Program. The selection of the reviewer shall be subject to the approval of the State Board of Education.

- 1 9. Of the funds appropriated in this item, \$939,000, as
2 subsequently adjusted for employee compensation,
3 shall be available for costs associated with the admin-
4 istration of the High Priority Schools Grant Program
5 pursuant to Article 3.5 (commencing with Section
6 52055.600) of Chapter 6.1 of Part 28 of Division 4 of
7 Title 2 of the Education Code and the Immediate Inter-
8 vention/Underperforming Schools Program pursuant
9 to Article 3 (commencing with Section 52053) of
10 Chapter 6.1 of Part 28 of Division 4 of Title 2 of the
11 Education Code.
- 12 10. By October 31 of each year, the State Department of
13 Education (SDE) shall provide to the Department of
14 Finance a file of all charter school average daily atten-
15 dance (ADA) and state and local revenue associated
16 with charter school general purpose entitlements as
17 part of the P2 Revenue Limit File. By March 1, 2008,
18 the SDE shall provide to the Department of Finance
19 a file of all charter school ADA and state and local
20 revenue associated with charter school general purpose
21 entitlements as part of the P1 Revenue Limit File. It
22 is the expectation that such reports will be provided
23 annually.
- 24 11. On or before April 15, 2008, the State Department of
25 Education (SDE) shall provide to the Department of
26 Finance an electronic file that includes complete dis-
27 trict- and county-level state appropriations limit infor-
28 mation reported to the SDE. The SDE shall make every
29 effort to ensure that all districts have submitted the
30 necessary information requested on the relevant report-
31 ing forms.
- 32 12. The State Department of Education shall make infor-
33 mation available to the Department of Finance, the
34 Legislative Analyst's Office, and the budget commit-
35 tees of each house of the Legislature by October 31,
36 March 31, and May 31 of each year regarding the
37 amount of Proposition 98 savings estimated to be
38 available for reversion by June 30 of that year.
- 39 13. Of the reimbursement funds appropriated in this item,
40 \$2,000,000 shall be available to the State Department

1 of Education for nutrition education and physical ac-
2 tivity promotion pursuant to an interagency agreement
3 with the State Department of Public Health.

- 4 14. The report required by Section 60800 of the Education
5 Code for the physical performance test is not required
6 to be printed and mailed, but shall be compiled and
7 reported electronically.

- 8 15. Reimbursement expenditures pursuant to this item re-
9 sulting from the imposition by the State Department
10 of Education (SDE) of a commercial copyright fee
11 may not be expended sooner than 30 days after the
12 SDE submits to the Department of Finance a legal
13 opinion affirming the authority to impose such fees
14 and the arguments supporting that position against any
15 objections or legal challenges to the fee filed with the
16 SDE. Any funds received pursuant to imposition of a
17 commercial copyright fee may only be expended as
18 necessary for outside counsel contingent on a certifi-
19 cation of the Superintendent of Public Instruction that
20 sufficient expertise is not available within departmental
21 legal staff. The SDE shall not expend greater than
22 \$300,000 for such purposes without first notifying the
23 Department of Finance of the necessity thereof, and
24 upon receiving approval in writing.

- 25 16. Of the funds appropriated in this item, \$2,000,000 is
26 provided on a one-time basis for legal representation
27 from the office of the Attorney General in litigation
28 related to the California High School Exit Examina-
29 tion. The State Department of Education (SDE) shall
30 provide a report to the Department of Finance and the
31 Legislature detailing the expenditures of these funds
32 and providing an update on any such litigation on
33 November 1, 2008, and every four months thereafter,
34 with the final report due on June 30, 2009. The office
35 of the Attorney General shall provide the SDE any
36 information, including budget and expenditure data,
37 necessary for the SDE to complete its reports to the
38 Department of Finance and the Legislature.

- 1 (a) Of the funds in this provision, up to \$767,000 may
2 be used for one-time costs related to the implemen-
3 tation of Chapter 751 of the Statutes of 2006.
- 4 17. Of the funds appropriated in this item, \$175,000 shall
5 only be available to support a \$175,000 interagency
6 agreement with the California Career Resource Net-
7 work to provide continuing support for the operations
8 of that organization.
- 9 18. Of the amount appropriated in this item, \$139,000
10 from reimbursement funds may be expended for ad-
11 ministering the Education Technology K–12 Voucher
12 Program pursuant to the Microsoft settlement.
- 13 19. Of the funds appropriated in this item, up to
14 \$1,011,000 is for dispute resolution services, including
15 mediation and fair hearing services, provided through
16 contract for special education programs.
- 17 20. Of the reimbursement funds appropriated in this item,
18 \$422,000 shall be available to the State Department
19 of Education to contract for assistance in developing
20 an approved listing of food and beverage items that
21 comply with the nutrition standards of Chapters 235
22 and 237 of the Statutes of 2005. In order to fund the
23 development and maintenance of the approved product
24 listing, the State Department of Education shall collect
25 a fee, as it deems appropriate, from vendors seeking
26 to have their product reviewed for potential placement
27 on the approved product listing. Reimbursements col-
28 lected in the 2008–09 fiscal year may be used to offset
29 costs incurred in the 2006–07 and 2007–08 fiscal
30 years.
- 31 23. Within 30 days after the enactment of this act, the State
32 Department of Education (SDE) shall report to the
33 fiscal committees of the Legislature and the Legislative
34 Analyst’s Office regarding the reductions in positions
35 and appropriations that were taken as a result of the
36 unallocated reduction in this item. The report from the
37 SDE shall include information regarding the division,
38 position description, and position level of all position
39 reductions. The SDE also shall identify the program
40 supported by each position reduction. For every divi-

sion experiencing a reduction, the SDE shall provide data on the total number of remaining positions, by position level and program supported. The SDE also shall provide a list of the divisions not experiencing any reductions.

New SDE positions authorized by this act shall be filled for the purposes stated in this act and shall not be used to offset the unallocated reduction in this item.

24. Of the funds appropriated in Schedule (2), up to \$536,000 is for transfer by the Controller to the State Instructional Materials Fund for allocation during the 2008–09 fiscal year pursuant to Article 3 (commencing with Section 60240) of Chapter 2 of Part 33 of Division 4 of Title 2 of the Education Code.

These funds shall be transferred in amounts claimed by the State Department of Education (SDE), for direct disbursement by the SDE from the Instructional Materials Fund.

25. Of the reimbursement funds appropriated in Schedule (8), \$500,000 is for the support of “Green” California Partnership Academies pursuant to legislation enacted in the 2007–08 Regular Session. These funds shall be available for expenditure until June 30, 2011.

SEC. 45. Item 6110-001-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-001-0890—For support of Department of Education, for payment to Item 6110-001-0001, payable from the Federal Trust Fund..... 171,015,000

Provisions:

1. The funds appropriated in this item include federal Carl D. Perkins Vocational and Technical Education Act of 2006 funds for the 2007–08 fiscal year to be transferred to community colleges by means of interagency agreements. These funds shall be used by community colleges for the administration of career technical education programs.
2. Of the funds appropriated in this item, \$96,000 is available to the Advisory Commission on Special Ed-

- 1 ucation for the in-state travel expenses of the commis-
2 sioners and the secretary to the commission.
- 3 3. Of the funds appropriated in this item, \$426,000 is
4 available for programs for homeless youth and adults
5 pursuant to the federal McKinney-Vento Homeless
6 Assistance Act (42 U.S.C. Sec. 11431 et seq.). The
7 State Department of Education shall consult with the
8 Department of Community Services and Development,
9 the State Department of Mental Health, the Department
10 of Housing and Community Development, and the
11 Commission for Economic Development in operating
12 this program.
- 13 4. Of the funds appropriated in this item, up to \$364,000
14 shall be used to provide in-service training for special
15 and regular educators and related persons, including,
16 but not limited to, parents, administrators, and organi-
17 zations serving severely disabled children. These funds
18 are also to provide up to 4.0 positions for this purpose.
- 19 5. Of the funds appropriated in this item, \$318,000 shall
20 be used to provide training in culturally nonbiased
21 assessment and specialized language skills to special
22 education teachers.
- 23 6. (a) Of the funds appropriated in this item,
24 \$11,779,000 is from the Child Care and Develop-
25 ment Block Grant Fund and is available for sup-
26 port of child care services. Of this amount,
27 \$1,547,000 is for 13.0 positions to address com-
28 pliance monitoring and overpayments, which may
29 contribute to early detection of fraud. This in-
30 cludes 7.0 new positions in the 2008–09 fiscal
31 year to audit all federally subsidized child care
32 agencies pursuant to new federal regulations per
33 Part 98 of Title 45 of the Code of Federal Regula-
34 tions. The State Department of Education (SDE)
35 shall provide information to the Legislature and
36 Department of Finance each year that quantifies
37 provider-by-provider level data, including in-
38 stances and amounts of overpayments and fraud,
39 as documented by the SDE’s compliance monitor-
40 ing efforts for the prior fiscal year.

(b) As a condition of receiving the resources specified in subdivision (a), every alternative payment agency and subsidized general child care agency will be audited each year using sufficient sampling of provider records of the following: (1) family fee determinations, (2) income eligibility, (3) rate limits, and (4) basis for hours of care, to determine compliance rates, any instances of misallocation of resources, and the amount of funds expected to be recovered from instances of both potential fraud and overpayment when no intent to defraud is suspected. This information will be contained in a separate report for each provider, with a single statewide summary report annually submitted to the Governor and the Legislature no later than April 15.

7. Of the funds appropriated in this item, \$1,066,000 shall be used for administration of the federal Enhancing Education Through Technology Grant Program. Of this amount:
 - (a) \$150,000 is available only for contracted technical support and evaluation services.
8. Of the funds appropriated in this item, \$9,206,000 is for dispute resolution services, including mediation and fair hearing services, provided through contract for the special education programs. The State Department of Education shall ensure the quarterly reports that the contractor submits on the results of its dispute resolution services include the same information as required by Provision 9 of Item 6110-001-0890 of Chapters 47 and 48 of the Statutes of 2006 and Section 56504.5 of the Education Code and reflect year-to-date data and final yearend data.
9. Of the amount provided in this item, \$881,000 is provided for staff for the Special Education Focused Monitoring Pilot Program to be established by the State Department of Education for the purpose of monitoring local educational agency compliance with state and federal laws and regulations governing special education.

- 1 10. Of the funds appropriated in this item, \$125,000 shall
2 be allocated for increased travel costs associated with
3 program reviews conducted by the Special Education
4 Division Focused Monitoring and Technical Assistance
5 units. Expenditure of these funds is subject to Depart-
6 ment of Finance approval of an expenditure plan. The
7 expenditure plan shall include the proposed travel costs
8 associated with focused monitoring and technical as-
9 sistance provided by the State Department of Educa-
10 tion. It shall also include the estimated type and num-
11 ber of reviews to be conducted and shall provide an
12 estimated average cost per type of review. Annual re-
13 newal of this funding is subject to Department of Fi-
14 nance approval of an annual focused monitoring final
15 expenditure report. The report shall be submitted on
16 or before September 30, 2008. It shall provide the total
17 number of reviews conducted each fiscal year, the
18 amount of staff and personnel days and hours associ-
19 ated with each category of review, the travel costs as-
20 sociated with the type and number of reviews conduct-
21 ed, and an average cost per type of review.
- 22 11. Of the funds appropriated in this item, \$500,000 is for
23 the State Department of Education to contract for an-
24 nual evaluations of Reading First program effective-
25 ness.
- 26 12. Of the amount appropriated in this item, \$832,000
27 (\$600,000 reimbursements and \$232,000 federal spe-
28 cial education funds) shall be used to fund 6.0 posi-
29 tions and implement the provisions of Chapter 914 of
30 the Statutes of 2004 for increased monitoring of non-
31 public, nonsectarian schools.
- 32 13. Of the funds appropriated in this item, \$443,000 is for
33 3.0 positions within the State Department of Education
34 for increased monitoring associated with mental health
35 services required by an individualized education plan
36 pursuant to Chapter 493 of the Statutes of 2004.
- 37 14. Of the funds appropriated in this item, \$1,874,000 is
38 available on a one-time basis to implement the Child
39 Nutrition Information and Payment System.

- 1 15. Of the funds appropriated in this item, \$2,506,000
- 2 shall be used for the administration of the 21st Century
- 3 Community Learning Centers Program.
- 4 16. Of the funds appropriated in this item, \$109,000 shall
- 5 be made available to the Office of the Secretary for
- 6 Education for state operation costs associated with
- 7 federal and state accountability activities.
- 8 17. Of the funds appropriated in this item, \$175,000 in
- 9 federal Carl D. Perkins Vocational and Technical Ed-
- 10 ucation Act of 2006 funding shall only be available to
- 11 support a \$175,000 interagency agreement with the
- 12 California Career Resource Network to provide con-
- 13 tinuing support for the operations of that organization.
- 14 18. Of the amount appropriated in this item, \$100,000 is
- 15 available for an interagency agreement with the Cali-
- 16 fornia Career Resource Network to develop career re-
- 17 source materials and information pursuant to Provision
- 18 1 of Item 6330-001-0001.
- 19 19. Of the funds appropriated in this item, \$1,244,000 is
- 20 available on a one-time basis from federal Title II
- 21 funds for the State Department of Education to extend
- 22 1.0 limited-term position authorized in 2007 and fund
- 23 2.0 additional limited-term positions through June 30,
- 24 2009, and other costs associated with the development
- 25 of the California Longitudinal Teacher Integrated
- 26 Data Education System (CALTIDES). Of this amount,
- 27 \$398,000 is available for an interagency agreement
- 28 with the Commission on Teacher Credentialing to ex-
- 29 tend 2.5 limited-term positions through June 30, 2009,
- 30 and support other costs associated with the develop-
- 31 ment of CALTIDES.
- 32 20. Of the funds appropriated in this item, \$945,000 of
- 33 federal Title II funds is for the Compliance Monitoring,
- 34 Intervention, and Sanctions (CMIS) Program. This
- 35 program is designed to help school districts meet the
- 36 highly qualified teacher requirements specified in the
- 37 federal No Child Left Behind Act of 2001 (20 U.S.C.
- 38 Sec. 6301 et seq.). By April 1, 2009, the State Depart-
- 39 ment of Education shall submit a report on the CMIS
- 40 Program to the budget and policy committees of the

Legislature. The report shall identify (a) the number of school districts that received CMIS support in the 2008–09 fiscal year, and (b) the major components of the plans that those districts developed to respond to the federal highly qualified teacher requirements. For each participating district, the report also shall provide longitudinal data on the number and percent of teachers who are and are not highly qualified. At a minimum, the 2008–09 report shall include finalized data for the 2007–08 fiscal year and initial data for the 2008–09 fiscal year. The report shall provide data separately for high- and low-poverty schools. For comparison, the report shall provide the same longitudinal data for the statewide average of all school districts as well as the average for school districts not receiving CMIS support.

21. The State Department of Education shall submit an independent evaluation of the Statewide System of School Support to the appropriate fiscal and policy committees of the Legislature, the Legislative Analyst's Office, and the Department of Finance no later than April 1, 2009.
22. The following funds appropriated in this item are for the development of a comprehensive strategy to address data reporting requirements and the development of the California Longitudinal Pupil Achievement Data System (CALPADS) to meet the requirements of the federal No Child Left Behind Act of 2001 (P.L. 107-110) and Chapter 1002 of the Statutes of 2002:
 - (a) \$730,000 and 5.0 positions to support state operations for a comprehensive strategy to address data reporting requirements.
 - (b) \$2,544,000 and 1.0 position to support state operations related to the development of CALPADS. Up to \$1,114,000 may be used to support the involvement of California School Information Services staff in the development of CALPADS.
 - (c) \$606,000 from the Statewide Longitudinal Data System Grant for use in the development of CALPADS.

- (d) \$115,000 and 1.0 position to support workload associated with coordinating data collection and sharing for CALPADS and for the federal Education Data Exchange Network.
 - (e) \$2,181,000 in one-time funding for hardware purchases, data center services, and software licensing to develop CALPADS.
 - (f) \$3,225,000 is reserved for costs in the 2009–10 fiscal year associated with the development of CALPADS.
 - (g) Of the funds appropriated in paragraphs (a) to (f), inclusive, \$4,913,000 is provided in one-time federal Title VI carryover funds.
 - (h) Subject to an approved special project report, \$5,336,000 in one-time federal Title VI funds is available for the California Longitudinal Pupil Achievement Data System. Of this amount, \$5,111,000 is for vendor contract costs and \$225,000 is for data center costs.
23. Of the funds appropriated in this item, \$1,250,000 is to develop and implement a standardized, evidence-based assessment, pursuant to legislation, to allow eligible pupils with disabilities to demonstrate the competence necessary to pass the California High School Exit Examination.
24. Of the funds appropriated in this item, \$378,000 and 4.0 positions are provided to support workload for federal school improvement in accordance with legislation enacted in the 2007–08 Regular Session related to federal school improvement.
25. Of the funds appropriated in this item, \$385,000 is available to the State Department of Education on a one-time basis for the cost of translating state prototype documents into languages other than English. The department shall contract with appropriate translators or translator services to translate these documents. The department shall post all documents translated pursuant to this provision on its existing Internet-based electronic clearinghouse system of state and locally translated parental notification documents.

- 1 26. Of the funds appropriated in this item, \$600,000 is
- 2 one-time federal Title I Migrant Education Program
- 3 carryover funds available to augment the contract for
- 4 a three-year program evaluation to meet federal Title
- 5 I Migrant Education Program requirements.
- 6 29. Of the funds appropriated in this item, \$285,000 is
- 7 available from the Child Care and Development Block
- 8 Grant Fund on a one-time basis to develop a request
- 9 for proposals to seek a solution for replacement of the
- 10 Provider Accounting and Reporting Information Sys-
- 11 tem (PARIS), and to contract for project management
- 12 and oversight. The State Department of Education
- 13 (SDE) shall require the vendor to propose a cost-effec-
- 14 tive solution in which interim functions that are du-
- 15 plicative of the Financial Information System for
- 16 California (FI\$Cal) will be decommissioned when
- 17 FI\$Cal is fully implemented. The SDE shall also re-
- 18 quire the vendor to address any modifications to the
- 19 child care contracting process that may be implement-
- 20 ed through legislation enacted during the current leg-
- 21 islative session or through regulations deemed neces-
- 22 sary to more fully utilize available appropriations in
- 23 the solution to rewrite PARIS.
- 24 30. Of the funds appropriated in this item, \$308,000 is
- 25 available from Title II funds for an interagency
- 26 agreement with the Commission on Teacher Creden-
- 27 tialing to support teacher misassignment monitoring
- 28 activities.
- 29 31. Of the funds appropriated in this item, \$109,000 is
- 30 provided in federal Title III funds to make permanent
- 31 1.0 existing limited-term position to support the En-
- 32 glish language learner component of the Mathematics
- 33 and Reading Professional Development Program.
- 34 32. Of the funds appropriated in this item, \$500,000 in
- 35 one-time federal Title III carryover funds is available
- 36 to augment an evaluation of the English Language
- 37 Learner Acquisition and Development Pilot Program
- 38 as previously authorized in Provision 48 of Item 6110-
- 39 001-0890 of the Budget Act of 2007 (Chs. 171 and
- 40 172, Stats. 2007). Prior to the release of the request

for applications for the evaluation required pursuant to subdivision (h) of Section 420 of the Education Code, the State Department of Education shall consult with the Department of Finance, the Legislative Analyst's Office, and the appropriate legislative policy and fiscal staff to discuss the scope of the evaluation.

33. Of the funds appropriated in this item, \$1,600,000 in one-time federal Title III carryover funds is available during the 2008–09, 2009–10, and 2010–11 fiscal years to contract with a county office of education or institution of higher education for specialized English language learner instructional training and technical assistance in county court and Division of Juvenile Justice schools. This funding shall supplement, and not supplant, English language learner services.

34. Of the funds appropriated in this item, \$1,200,000 in one-time federal Title III carryover funds is set aside for Title III state-level activities in the 2009–10 fiscal year.

35. Of the funds appropriated in this item, \$1,250,000 in one-time federal special education carryover funds is available during the 2008–09, 2009–10, and 2010–11 fiscal years to contract with a county office of education or institution of higher education for special education instructional training and technical assistance in county court schools. This funding shall supplement, and not supplant, existing special education services.

36. Of the funds appropriated in this item, \$334,000 is available on a one-time basis to fund the first year of a three-year, independent evaluation as set forth in legislation enacted in the 2007–08 Regular Session related to federal school improvement.

SEC. 46. Item 6110-101-0349 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-101-0349—For local assistance, Department of Education,
 Program 20.90-Instructional Support, for allocation to the
 Fiscal Crisis and Management Assistance Team for the
 purpose of administering the California School Information
 Services (CSIS) program, payable from the Educational
 Telecommunication Fund..... 9,125,000

Provisions:

1. Notwithstanding Section 10554 of the Education Code,
 the Controller shall transfer from the General Fund
 the actual amount certified by the Superintendent of
 Public Instruction as reductions made to apportion-
 ments in the 2007–08 fiscal year for repayments of
 prior year excess apportionments identified pursuant
 to audit or audit settlements identified as a result of
 audit investigations or inquiries.
2. Of the funds appropriated in this item, \$828,000 is to
 be provided to non-CSIS participating school districts
 for support of maintenance of individual student
 identifiers.
3. Of the amount appropriated in this item, \$7,900,000
 is for districts that have not previously participated in
 CSIS or the CSIS Best Practices Cohort project. Funds
 shall be allocated pursuant to Section 49084 of the
 Education Code and consistent with the existing CSIS
 Best Practices Cohort Implementation Plan.

SEC. 47. Item 6110-103-0001 of Section 2.00 of the Budget
 Act of 2008 is amended to read:

6110-103-0001—For local assistance, Department of Education
 (Proposition 98), Program 10.10.001.005-School Appor-
 tionments, for transfer to Section A of the State School
 Fund, for the purposes of Section 8152 of the Education
 Code..... 13,350,000

Provisions:

1. Notwithstanding Section 8154 of the Education Code,
 or any other provision of law, the funds appropriated
 in this item shall be the only funds available for and
 allocated by the Superintendent of Public Instruction

for the apprenticeship programs operated by school districts and county offices of education.

2. Notwithstanding Section 8152 of the Education Code, each 60-minute hour of teaching time devoted to each indentured apprentice enrolled in and attending classes of related and supplemental instruction as provided under Section 3074 of the Labor Code shall be reimbursed at the rate of \$5.06 per hour. For purposes of this provision, each hour of teaching time may include up to 10 minutes for passing time and breaks.

3. No school district or county office of education shall use funds allocated pursuant to this item to offer any new or expanded apprenticeship program unless the program has been approved by the Superintendent of Public Instruction.

4. The Superintendent of Public Instruction shall report to the Department of Finance and the Legislature not later than February 1 of each year on the amount of funds expended for, and the hours of related and supplemental instruction offered in, the apprenticeship program during the prior fiscal year, with information to be provided by the school district, county office of education, program sponsor, and trade. Expenditure information shall distinguish between direct and indirect costs, including administrative costs funded for the State Department of Education, school districts, and county offices of education. In addition, the report shall identify the hours of related and supplemental instruction proposed for the prior and current fiscal years by the school district, county office of education, program sponsor, and trade. As a condition of receiving funds for the apprenticeship programs, school districts, county offices of education, and regional occupational centers and programs shall report to the Superintendent of Public Instruction the information necessary for the completion of this report.

5. Notwithstanding Article 8 (commencing with Section 8150) of Chapter 1 of Part 6 of Division 1 of Title 1 of the Education Code, or any other provision of law, the total number of hours eligible for state reimburse-

ment in apprenticeship programs operated by school districts and county offices of education shall be limited to an amount equal to the amount of the total appropriation made in this item divided by the hourly rate specified in Provision 2. The Superintendent of Public Instruction shall have the authority to determine which apprenticeship programs and which hours offered in those programs are eligible for reimbursement.

6. An additional \$6,227,000 in expenditures for this item has been deferred until the 2009–10 fiscal year.
7. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
8. Of the amount appropriated in this item, \$0 is provided for a cost-of-living adjustment.

SEC. 48. Item 6110-104-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-104-0001—For local assistance, Department of Education (Proposition 98), Program 10.10.011-School Apportionments—Remedial Supplemental Instruction Programs, for transfer to Section A of the State School Fund, for supplemental instruction and remedial programs..... 330,672,000

Schedule:

- (1) 10.10.011.008-School Apportionments, for Supplemental Instruction, Remedial, Grades 7–12 for the purposes of Section 37252 of the Education Code..... 200,234,000
- (2) 10.10.011.009-School Apportionments, for Supplemental Instruction, Retained, or Recommended for Retention, Grades 2–9 for the purposes of Section 37252.2 of the Education Code, as applicable.... 48,365,000
- (3) 10.10.011.010-School Apportionments, for Supplemental Instruction, Low STAR-Grades 2–6 for the purposes of Section 37252.8 of the Education Code..... 16,491,000

(4) 10.10.011.011-School Apportionments,
for Supplemental Instruction, Core
Academic K-12 for the purposes of
Section 37253 of the Education Code.... 65,582,000

Provisions:

1. Notwithstanding any other provision of law, for the fiscal year, the Superintendent of Public Instruction shall allocate a minimum of \$8,900 for supplemental summer school programs in each school district for which the prior fiscal year enrollment was less than 500 and that, in the fiscal year, offers at least 1,500 hours of supplemental summer school instruction. A small school district, as described above, that offers less than 1,500 hours of supplemental summer school offerings shall receive a proportionate reduction in its allocation. For the purpose of this provision, supplemental summer school programs shall be defined as programs authorized under paragraph (2) of subdivision (f) of Section 42239 of the Education Code as it read on July 1, 1999.
2. Notwithstanding any other provision of law, for the fiscal year, the maximum reimbursement to a school district or charter school for the program listed in Schedule (4) shall not exceed 5 percent of the district's or charter school's enrollment multiplied by 120 hours, multiplied by the hourly rate for the fiscal year.
3. Notwithstanding any other provision of law, the rate of reimbursement shall be \$4.08 per hour of supplemental instruction.
4. Notwithstanding any other provision of law, if the funds in this item are insufficient to fund otherwise valid claims, the Superintendent of Public Instruction shall adjust the rates to conform to available funds.
5. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.
6. The funding appropriated in this item shall be considered offsetting revenues within the meaning of subdivision (e) of Section 17556 of the Government Code for any reimbursable mandated cost claim for implementing Section 37252.2 of the Education Code. Local

educational agencies accepting funding from this item shall reduce their estimated and actual mandate reimbursement claims by the amount of funding provided to them from this item.

7. Notwithstanding any other provision of law, an additional \$90,117,000 in expenditures for this item has been deferred until the following fiscal year.
8. Rates or hours shall be adjusted in voluntary programs as necessary to fully meet demand in mandatory programs and remain within the amount provided for this purpose in the annual Budget Act.

SEC. 49. Item 6110-105-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-105-0001—For local assistance, Department of Education (Proposition 98), Program 10.10-Instruction, for transfer to Section A of the State School Fund, for the purposes of Article 1 (commencing with Section 52300) of Chapter 9 of Part 28 of Division 4 of Title 2 of the Education Code.... 443,355,000

Schedule:

- (1) 10.10.004-Instruction Program—
School Apportionments, Regional Occupational Centers and Programs..... 450,672,000
- (2) Reimbursements..... -7,317,000

Provisions:

1. Notwithstanding any other provision of law, the funds appropriated in this item are for transfer by the Controller to Section A of the State School Fund, in lieu of the amount that otherwise would be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the current fiscal year pursuant to Sections 14002 and 14004 of the Education Code, in an amount as needed for apportionment pursuant to Article 1 (commencing with Section 52300) of Chapter 9 of Part 28 of Division 4 of Title 2 of the Education Code.
2. Notwithstanding any other provision of law, the funds appropriated in this item may not be expended for the purposes of providing or continuing incentive funding

for a longer instructional year pursuant to Section 46200 of the Education Code.

3. Notwithstanding any other provision of law, funds appropriated in this item for average daily attendance (ADA) generated by participants in welfare-to-work activities under the CalWORKs program established in Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code may be appropriated on an advance basis to local educational agencies based on anticipated units of ADA if a prior application for this additional ADA funding has been approved by the Superintendent of Public Instruction.
4. Of the amount appropriated in this item, \$1,161,000 is to fund remedial educational services for participants in welfare-to-work activities under the CalWORKs program.
5. The funds appropriated in this item reflect a reduction to the base funding of 0.55 percent for a statewide decline in 11th and 12th grade average daily attendance. If growth funds are insufficient, the State Department of Education may adjust the per-pupil growth rates to conform to available funds. Additionally, \$0 is for the purpose of providing a cost-of-living adjustment.
6. An additional \$39,630,000 in expenditures for this item has been deferred until the 2009–10 fiscal year.

SEC. 50. Item 6110-107-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-107-0001—For local assistance, Department of Education (Proposition 98), Program 10.10-County Offices of Education Fiscal Oversight.....		11,438,000
Schedule:		
(1) 10.10.002-COE Oversight.....	5,450,000	
(2) 10.10.005-FCMAT.....	3,798,000	
(3) 10.10.012-FCMAT: CSIS.....	238,000	
(4) 10.10.013-Audit Appeal Panel.....	53,000	
(5) 10.10.015-Interim Reporting.....	1,001,000	

1	(6) 10.10.016-Staff Development.....	1,140,000
2	(7) Amount payable from the Educational	
3	Telecommunication Fund (Item 6110-	
4	107-0349).....	-242,000
5	Provisions:	
6	1. Funds appropriated in Schedule (1) are for the purpos-	
7	es provided in paragraph (1) of subdivision (a) of	
8	Section 29 of Chapter 1213 of the Statutes of 1991.	
9	2. Funds appropriated in Schedule (1) may be used by	
10	county offices of education for activities including,	
11	but not limited to, conducting reviews, examinations,	
12	and audits of districts and providing at least annual	
13	written notifications regarding the fiscal solvency of	
14	districts under fiscal distress, pursuant to Section	
15	42127.6 of the Education Code, or of districts with	
16	disapproved budgets, or qualified or negative certifica-	
17	tions. Written notifications regarding review, exami-	
18	nation, and audit results shall be provided at least an-	
19	nually to the district governing board, the Superinten-	
20	dent of Public Instruction, the Director of Finance,	
21	and the Office of the Secretary for Education.	
22	3. Funds appropriated in this item shall be considered	
23	offsetting revenues within the meaning of subdivision	
24	(e) of Section 17556 of the Government Code for any	
25	reimbursable mandated cost claim for school district	
26	and county office of education fiscal accountability	
27	reporting. Local educational agencies accepting fund-	
28	ing from this item shall reduce their estimated and	
29	actual mandate reimbursement claims by the amount	
30	of funding provided to them from this item.	
31	4. Of the funds appropriated in Schedule (2):	
32	(a) \$3,054,000 shall be allocated by the Controller	
33	directly to a county office of education selected	
34	pursuant to subdivision (a) of Section 42127.8 of	
35	the Education Code to oversee Fiscal Crisis and	
36	Management Assistance Team (FCMAT) respon-	
37	sibilities with respect to these funds and to meet	
38	the costs of participation under Section 42127.8	
39	of the Education Code.	

- (b) \$278,000 shall be available to develop and implement the activities of regional teams of fiscal experts to assist districts in fiscal distress.
 - (c) \$466,000 shall be allocated to FCMAT for the purpose of providing, through computer technology, financial and demographic information that is interactive and immediately accessible to all local educational agencies to assist them in their decisionmaking process. To ensure a completely integrated system, this computer information should be developed in collaboration with the State Department of Education, and should be compatible with the hardware and software of the State Department of Education, so that this information may also assist state-level policymakers in making comparable standardized financial information available to the local educational agencies and the public.
 5. Of the funds appropriated in Schedule (3), \$238,000 shall be available to the Fiscal Crisis and Management Assistance Team to pay for project management services for the California School Information Services (CSIS) program. These funds shall be used to supplement and not supplant other CSIS funds available for project management services.
 6. Funds appropriated in Schedule (4) are for the additional staff and resources needed for the Fiscal Crisis and Management Assistance Team to ensure that timely resolution of audit findings is achieved pursuant to the directives of Section 41344 of the Education Code.
 7. Of the funds appropriated in Schedule (5):
 - (a) \$143,000 shall be available for no more than a 25-percent state reimbursement to county offices of education for fiscal oversight of school districts with audit exceptions, districts with qualified or negative interim reports, districts that may be unable to meet financial obligations for the current or subsequent fiscal years, or districts with disapproved budgets.

(b) Up to \$858,000 of the funds may be used to fully reimburse county office of education activities for extraordinary costs of audits, examinations, or reviews of any school district or charter school in cases where fraud, misappropriation of funds, or other illegal fiscal practices require review by the county offices of education, pursuant to Section 2 of Chapter 620 of the Statutes of 2001 and Section 1 of Chapter 357 of the Statutes of 2005. The State Board of Education may request any county superintendent of schools to initiate such an audit, examination, or review for any charter school or all-charter district for which the board has oversight responsibility. Allocation of the funds shall be administered by the Fiscal Crisis and Management Assistance Team on a reimbursement basis. All reimbursements shall be subject to the approval of both the Department of Finance and the State Department of Education.

8. The amount appropriated in Schedule (5) shall remain available for expenditure for the 2008–09 and 2009–10 fiscal years. Any unexpended balance as of September 1, 2009, shall be available until July 30, 2010, for the following, in order of descending priority:

(a) Any review or audit jointly requested by the State Department of Education and the Department of Finance, to be conducted by a county superintendent of schools in cases where fraud, misappropriation of funds, or other illegal fiscal practices are suspected.

(b) Staff development pursuant to Provision 10.

(c) Regional assistance teams developed pursuant to Provision 4(b).

9. Notwithstanding Section 26.00, the funds appropriated in this item shall be allocated in accordance with the above schedule unless a revision to the allocations contained herein has been approved by the Department of Finance. The Department of Finance may not authorize any such revision sooner than 30 days after notification in writing of the necessity to the chairpersons

of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.

10. Of the funds appropriated in Schedule (6):
 - (a) \$813,000 is for the purpose of providing staff development to local educational agency school finance and business personnel, as provided in Section 42127.8 of the Education Code. Funds appropriated in Schedule (6) shall be allocated by the Controller directly to a county office of education selected pursuant to subdivision (a) of Section 42127.8 of the Education Code to oversee the Fiscal Crisis and Management Assistance Team's responsibilities with respect to these funds.
 - (b) \$327,000 of the funds appropriated in Schedule (6) is for the purpose of providing training that shall be developed and facilitated pursuant to Section 42127.8 of the Education Code to increase school district and school-level capacity to implement and manage site-based budgeting and decisionmaking governance structures.
11. Notwithstanding any other provision of law, funds appropriated in Schedules (1), (2), (4), (5), and (6) to a county office of education selected pursuant to subdivision (a) of Section 42127.8 of the Education Code to oversee the Fiscal Crisis and Management Assistance Team responsibilities shall be allocated by the Controller directly to that county office of education as soon as possible but no later than 60 days after the enactment of the Budget Act. Funds appropriated in this item shall not be subject to grant allocation or review processes on the part of the State Department of Education nor the Superintendent of Public Instruction. The county office of education that receives these funds shall annually provide a report detailing past year expenditures, identifying the local educational agencies (LEA) assisted with these funds and a sum-

mary of progress for each. Additionally, the report shall identify a plan for the proposed uses of the allocations in this item, identifying estimated expenditures for each LEA anticipated to be served. This report shall be submitted to the State Department of Education and to the Department of Finance by October 1 of each year.

SEC. 51. Item 6110-108-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-108-0001—For local assistance, Department of Education (Proposition 98), Program 20-Instructional Support, the Supplemental School Counseling Program, established pursuant to Article 4.5 (commencing with Section 52378) of Chapter 9 of Part 28 of Division 4 of Title 2 of the Education Code..... 209,060,000

Provisions:

1. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.

~~SEC. 52. Item 6110-111-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:~~

~~6110-111-0001—For local assistance, Department of Education (Proposition 98), Program 10-Instruction, for transfer to Section A of the State School Fund, Home to School Transportation, pursuant to Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 of Division 3 of Title 2 of the Education Code, and Small School District Transportation, pursuant to Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of Division 3 of Title 2 of the Education Code..... 555,131,000~~

~~Schedule:~~

- ~~(1) 10.10.006-Pupil Transportation..... 549,045,000~~
- ~~(2) 10.10.008-Small School District Bus Replacement..... 6,086,000~~

~~Provisions:~~

- ~~1. Of the funds appropriated in this item, \$0 is for the purpose of providing a cost-of-living adjustment.~~

2. ~~An additional \$52,583,000 in expenditures for this item has been deferred until the 2009–10 fiscal year.~~
3. ~~Notwithstanding any other provision of law, of the funds appropriated in this item, an amount equal to the amount of reimbursement to the General Fund pursuant to Section 24.85 shall be used to provide mass transportation services for pupils enrolled in school districts that receive these funds.~~

SEC. 52. Item 6110-111-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-111-0001—For local assistance, Department of Education (Proposition 98), Program 10-Instruction, for transfer to Section A of the State School Fund, Home to School Transportation, pursuant to Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 of Division 3 of Title 2 of the Education Code, and Small School District Transportation, pursuant to Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of Division 3 of Title 2 of the Education Code..... ~~567,999,000~~
566,131,000

Schedule:

- (1) 10.10.006-Pupil Transportation..... ~~561,913,000~~
560,045,000
- (2) 10.10.008-Small School District Bus Replacement..... 6,086,000

Provisions:

1. Of the funds appropriated in this item, ~~\$12,868,000~~ \$0 is for the purpose of providing a cost-of-living adjustment.
2. An additional \$52,583,000 in expenditures for this item has been deferred until the 2009–10 fiscal year.
3. Notwithstanding any other provision of law, of the funds appropriated in this item *and the funds deferred for this program as reflected in Provision 2*, an amount equal to the amount of reimbursement to the General Fund pursuant to Section 24.85 shall be used to provide mass transportation services for pupils enrolled in school districts that receive these funds.

SEC. 53. Item 6110-119-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-119-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 20.40.060-Educational Services for Foster Youth pursuant to Chapter 11.3 (commencing with Section 42920) of Part 24 of Division 3 of Title 2 of the Education Code 18,891,000

Provisions:

1. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.
2. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

SEC. 54. Item 6110-122-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-122-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 20.40.090-Specialized Secondary Programs, pursuant to Chapter 6 (commencing with Section 58800) of Part 31 of Division 4 of Title 2 of the Education Code..... 6,122,000

Provisions:

1. Of the funds appropriated in this item, \$1,500,000 shall be allocated to Specialized Secondary Programs established prior to the 1991–92 fiscal year that operate in conjunction with the California State University.
2. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
3. Of the amount appropriated in this item, \$0 is provided for a cost-of-living adjustment.

SEC. 55. Item 6110-123-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-123-0890—For local assistance, Department of Education,
Program 20.60.030.035-Innovative Programs, Title V-ES-
EA, payable from the Federal Trust Fund..... 6,000,000

Provisions:

1. The funds appropriated in this item are one-time funds for local educational agencies to implement existing innovative programs pursuant to Section 5131 of Title V of Part A of the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.). No funding shall be provided to any new programs and no commitments shall be made beyond September 30, 2009.

SEC. 56. Item 6110-124-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-124-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 10.80.010-Gifted and Talented Pupil Program established pursuant to Chapter 8 (commencing with Section 52200) of Part 28 of Division 4 of Title 2 of the Education Code..... 51,051,000

Provisions:

1. An additional \$4,294,000 in expenditures for this purpose has been deferred to the 2009–10 fiscal year.
2. Of the funds appropriated in this item, \$0 is for the purpose of providing a cost-of-living adjustment.
3. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

SEC. 57. Item 6110-125-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-125-0001—For local assistance, Department of Education (Proposition 98)..... 63,263,000

Schedule:

- (1) 10.40.030.004-Refugee Children School Grant Program..... 1,649,000

(2) 20.10.006-English Language Acquisition Program, pursuant to Chapter 4 (commencing with Section 400) of Part 1 of Division 1 of Title 1 of the Education Code..... 63,263,000

(3) Reimbursements..... -1,649,000

Provisions:

1. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.
2. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

SEC. 58. Item 6110-126-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-126-0890—For local assistance, Department of Education, Program 20.60.290-Instructional Support, Title I, Part B of the federal Elementary and Secondary Education Act (Reading First program), payable from the Federal Trust Fund..... 57,433,000

Provisions:

1. The funds appropriated in this item are for Reading First programs pursuant to Article 1 (commencing with Section 51700) of Chapter 5 of Part 28 of Division 4 of Title 2 of the Education Code. It is the intent of the Legislature that all participating school districts receive funding at the rates established in paragraph (3) of subdivision (c) of Section 51700 of the Education Code for six years. A participating school district shall not receive funding from this item for more than six years.
2. Of the funds appropriated in this item, \$3,658,000 shall be available for Reading First's statewide and regional infrastructure, including its six regional technical assistance centers.
3. By May 1, 2009, the State Department of Education shall provide the Legislature with all of the following: (a) the number of school districts receiving grants, (b) the number of K-3 teachers funded, (c) the number of

K–12 special education teachers served, and (d) the average per-teacher grant amount.

4. By May 1, 2009, the State Department of Education shall provide the Legislature with the following: (a) the number and percentage of all K–12 special education teachers in Reading First schools receiving Reading First professional development for each year, 2001–02 to 2006–07, inclusive, and (b) the number and percentage of all K–12 special education classes in Reading First schools that have appropriate reading materials purchased using the state’s instructional materials program as set forth in Article 3 (commencing with Section 60240) of Chapter 2 of Part 33 of Division 4 of Title 2 of the Education Code.

SEC. 59. Item 6110-128-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-128-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 10.30.070-Economic Impact Aid pursuant to Article 2 (commencing with Section 54020) of Chapter 1 of Part 29 of Division 4 of Title 2 of the Education Code..... 994,279,000

Provisions:

1. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.

SEC. 60. Item 6110-130-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-130-0001—For local assistance, Department of Education, Program 20.60.100-Advancement Via Individual Determination..... 9,035,000

Provisions:

1. Of the funds appropriated, \$1,300,000 is available for administration of the Advancement Via Individual Determination (AVID) centers.

SEC. 61. Item 6110-134-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-134-0890—For local assistance, Department of Education, payable from the Federal Trust Fund..... 1,820,750,000

Schedule:

- (1) 10.30.006-Statewide System of School Support..... 10,000,000
- (7) 10.30.009-Title I, Corrective Action—Local Educational Agencies..... 101,872,000
- (8) 10.30.004-School Improvement Grants, Corrective Action..... 78,082,000
- (9) 10.30.060-Title I—ESEA..... 1,630,796,000

Provisions:

1. In administering the accountability system required by this item, the State Department of Education shall align the forms, processes, and procedures required of local educational agencies in a manner that they may be utilized for the purposes of implementing the Public Schools Accountability Act of 1999, as established by Chapter 6.1 (commencing with Section 52050) of Part 28 of Division 4 of Title 2 of the Education Code, so that duplication of effort is minimized at the local level.
2. The funds appropriated in Schedule (1) shall be available for the purposes established by Article 4.2 (commencing with Section 52059) of Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education Code.
4. The State Department of Education shall provide to the Legislature, the Legislative Analyst's Office, and the Department of Finance, a letter by April 15, 2009, reporting expenditures and anticipated savings for each schedule, based on available information.
6. The funds appropriated in Schedules (7) and (8) shall be available for meeting requirements specified in the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.) for local educational agencies that enter corrective action. The funds shall be programmed pursuant to legislation enacted in the 2007–08 Regular Session related to federal school improvement.

11. Of the funds appropriated in Schedule (7), \$47,000,000 is provided in one-time carryover funds.
12. Of the funds appropriated in Schedule (8), \$16,620,000 is provided in one-time carryover funds.
13. Of the funds appropriated in Schedules (7) and (8), the State Department of Education shall, no later than September 15, 2008, issue grant awards totaling \$25,000,000 to local educational agencies identified for corrective action. The grants shall be awarded to local educational agencies consistent with legislation enacted in the 2007–08 Regular Session related to federal school improvement. Local educational agencies shall have until November 1, 2008, to apply for the remainder of their grant.
14. Of the funds appropriated in Schedule (9), \$19,252,000 is provided in one-time carryover funds to support the existing program.
15. The funds appropriated in this item shall be considered offsetting revenues within the meaning of subdivision (e) of Section 17556 of the Government Code for any reimbursable mandated cost claims for district assistance and intervention teams and other technical assistance providers. Local educational agencies accepting funding from this item shall reduce their estimated and actual mandate reimbursement claims by the amount of funding provided to them from this item.

SEC. 62. Item 6110-135-0890 of Section 2.00 of the Budget Act of 2008 is repealed.

SEC. 63. Item 6110-136-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-136-0890—For local assistance, Department of Education,	
Program 10.30-Instruction, payable from the Federal Trust	
Fund.....	17,023,000
Schedule:	

- 1 (2) 10.30.065-McKinney-Vento Homeless
 2 Children Education..... 8,526,000
 3 (4) 10.30.030-Title I-Even Start Program.... 8,497,000
 4 Provisions:

- 5
 6 2. Of the funds appropriated in Schedule (2), \$1,333,000
 7 is provided in one-time carryover funds to support the
 8 existing program.
 9 3. Of the funds appropriated in Schedule (4), \$1,500,000
 10 is provided in one-time carryover funds to support the
 11 existing program.
 12

13 SEC. 64. Item 6110-140-0001 of Section 2.00 of the Budget
 14 Act of 2008 is amended to read:

- 15
 16 6110-140-0001—For local assistance, Department of Education
 17 (Proposition 98), Program 20-Instructional Support..... 0
 18 Schedule:
 19 (1) 20.80.001-Student Friendly Services.... 500,000
 20 (2) 20.90.001.020-California School Infor-
 21 mation Services Administration..... 4,444,000
 22 (3) 20.90.001.030-California School Infor-
 23 mation Services Administration Indepen-
 24 dent Project Oversight..... 150,000
 25 (4) Amount payable from the Educational
 26 Telecommunication Fund (Item 6110-
 27 140-0349)..... – 5,094,000

28 Provisions:

- 29 1. The Superintendent of Public Instruction shall allocate
 30 the funds appropriated in Schedule (1) for the Student
 31 Friendly Services program.
 32 2. The funds appropriated in Schedule (2) shall be for
 33 allocation to the Fiscal Crisis and Management Assis-
 34 tance Team for costs associated with administration
 35 of the California School Information Services project.
 36 3. The Superintendent of Public Instruction shall allocate
 37 the funds appropriated in Schedule (3) to the Sacramen-
 38 to County Office of Education, which shall use the
 39 funds to contract for independent project oversight of
 40 the California School Information Services (CSIS)

program. The independent project oversight shall include the submission of quarterly project reports on the progress of the CSIS program to the Legislature, the Department of Finance, the Superintendent of Public Instruction, the State Board of Education, the Governor, the Legislative Analyst's Office, and the Fiscal Crisis and Management Assistance Team for the duration of the program implementation. These reports shall include, but not be limited to, information on: (a) CSIS capacity for additional district cohorts, (b) readiness of self-identified districts for participation in new CSIS cohorts, (c) CSIS operations budget, and (d) CSIS readiness to implement additional phases of state reporting and records transfer.

4. Of the funds appropriated in Schedule (2), \$545,000 is available on a three-year limited-term basis to support positions and administrative costs associated with the implementation plan developed pursuant to Provision 5 of Item 6110-101-0349 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).

5. The State Department of Education and CSIS shall jointly report by October 1, 2008, to the Department of Finance, the Legislative Analyst's Office, and the budget committees of the Legislature on the workload activities performed by each entity to prepare for the implementation of CALPADS.

SEC. 65. Item 6110-150-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-150-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 10.30.051-American Indian Early Childhood Education Program established pursuant to Chapter 6.5 (commencing with Section 52060) of Part 28 of Division 4 of Title 2 of the Education Code..... 662,000

Provisions:

1. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.

SEC. 66. Item 6110-151-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-151-0001—For support of the Department of Education (Proposition 98), Program 10.30.050-American Indian Education Centers established pursuant to Article 6 (commencing with Section 33380) of Chapter 3 of Part 20 of Division 2 of Title 2 of the Education Code..... 4,540,000

Provisions:

1. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.

SEC. 67. Item 6110-156-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-156-0001—For local assistance, Department of Education (Proposition 98), Program 10.50.010-Instruction, for transfer to Section A of the State School Fund, for allocation by the Superintendent of Public Instruction to school districts, county offices of education, and other agencies for the purposes of Proposition 98 educational programs funded by this item, in lieu of the amount that otherwise would be appropriated pursuant to statute..... 726,664,000

Schedule:

- (1) 10.50.010.001-Adult Education..... 726,664,000
- (2) 10.50.010.008-Remedial education services for participants in the CalWORKs program..... 8,739,000
- (3) Reimbursements-CalWORKs..... -8,739,000

Provisions:

1. Credit for participating in adult education classes or programs may be generated by a special day class pupil only for days in which the pupil has met the minimum day requirements set forth in Section 46141 of the Education Code.
2. The funds appropriated in Schedule (2) constitute the funding for both remedial education and job training services for participants in the CalWORKs program (Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and

Institutions Code). Funds shall be apportioned by the Superintendent of Public Instruction for direct instructional costs only to school districts and regional occupational centers and programs (ROC/Ps) that certify that they are unable to provide educational services to CalWORKs recipients within their adult education block entitlement or ROC/P block entitlement, or both. Allocations shall be distributed by the Superintendent of Public Instruction as equal statewide dollar amounts, based on the number of CalWORKs-eligible family members served in the county.

3. Providers receiving funds under this item for adult basic education, English as a Second Language, and English as a Second Language-Citizenship for legal permanent residents, shall, to the extent possible, grant priority for services to immigrants facing the loss of federal benefits under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193). Citizenship and naturalization preparation services funded by this item shall include, to the extent consistent with applicable federal law, all of the following: (a) outreach services, (b) assessment of skills, (c) instruction and curriculum development, (d) professional development, (e) citizenship testing, (f) naturalization preparation and assistance, and (g) regional and state coordination and program evaluation.

4. The funds appropriated in Schedule (2) shall be subject to the following:

(a) The funds shall be used only for educational activities for welfare recipient students and those in transition off of welfare. The educational activities shall be limited to those designed to increase self-sufficiency, job training, and work. These funds shall be used to supplement and not supplant existing funds and services provided for welfare recipient students and those in transition off of welfare.

(b) Notwithstanding any other provision of law, each local educational agency's individual cap for the

1 average daily attendance of adult education and
2 regional occupational centers and programs
3 (ROC/Ps) shall not be increased as a result of the
4 appropriations made by this section.

- 5 (c) Funds may be claimed by local educational
6 agencies for services provided to welfare recipient
7 students and those in transition off of welfare
8 pursuant to this section only if all of the following
9 occur:

10 (1) Each local educational agency has met the
11 terms of the interagency agreement between
12 the State Department of Education and the
13 State Department of Social Services pursuant
14 to Provision 2.

15 (2) Each local educational agency has fully
16 claimed its respective adult education or
17 ROC/Ps average daily attendance cap for the
18 current year.

19 (3) Each local educational agency has claimed
20 the maximum allowable funds available un-
21 der the interagency agreement pursuant to
22 Provision 2.

- 23 (d) Each local educational agency shall be reimbursed
24 at the same rate as it would otherwise receive for
25 services provided pursuant to this item or Item
26 6110-105-0001 or pursuant to Section 1.80, and
27 shall comply with the program requirements for
28 adult education pursuant to Chapter 10 (commenc-
29 ing with Section 52500) of Part 28 of Division 4
30 of Title 2 of the Education Code, and ROC/Ps
31 requirements pursuant to Article 1 (commencing
32 with Section 52300) of, and Article 1.5 (commenc-
33 ing with Section 52335) of, Chapter 9 of Part 28
34 of Division 4 of Title 2 of the Education Code,
35 respectively.

- 36 (e) Notwithstanding any other provision of law, funds
37 appropriated in this section for average daily at-
38 tendance (ADA) generated by participants in the
39 CalWORKs program may be apportioned on an
40 advance basis to local educational agencies based

1 on anticipated units of ADA if a prior application
2 for this additional ADA funding has been ap-
3 proved by the Superintendent of Public Instruc-
4 tion.

5 (f) The Legislature finds the need for good informa-
6 tion on the role of local educational agencies in
7 providing services to individuals who are eligible
8 for or recipients of CalWORKs assistance. This
9 information includes the extent to which local
10 educational programs serve public assistance re-
11 cipients and the impact these services have on the
12 recipients' ability to find jobs and become self-
13 supporting.

14 (g) The State Department of Education shall develop
15 a data and accountability system to obtain infor-
16 mation on education and job training services
17 provided through state-funded adult education
18 programs and regional occupational centers and
19 programs. The system shall collect information
20 on (1) program funding levels and sources, (2)
21 characteristics of participants, and (3) pupil and
22 program outcomes. The department shall work
23 with the office of the State Chief Information
24 Officer and Legislative Analyst's Office in deter-
25 mining the specific data elements of the system
26 and shall meet all information technology report-
27 ing requirements of the State Chief Information
28 Officer.

29 (h) As a condition of receiving funds provided in
30 Schedule (2) or any General Fund appropriation
31 made to the State Department of Education
32 specifically for education and training services to
33 welfare recipient students and those in transition
34 off of welfare, local adult education programs and
35 regional occupational centers and programs shall
36 collect program and participant data as described
37 in this item and as required by the State Depart-
38 ment of Education. The State Department of Edu-
39 cation shall require that local providers submit to

- 1 the state aggregate data for the period July 1,
 2 2008, to June 30, 2009, inclusive.
- 3 5. Of the funds appropriated in this item, \$18,843,000 is
 4 provided for increases in average daily attendance. If
 5 growth funds are insufficient, the State Department of
 6 Education may adjust the per-pupil growth rates to
 7 conform to available funds. Additionally, \$0 is for the
 8 purpose of providing a cost-of-living adjustment.
- 9 6. An additional \$45,896,000 in expenditures for this
 10 item has been deferred until the 2009–10 fiscal year.

11
 12 SEC. 68. Item 6110-158-0001 of Section 2.00 of the Budget
 13 Act of 2008 is amended to read:

- 14
 15 6110-158-0001—For local assistance, Department of Education
 16 (Proposition 98), for transfer by the Controller to Section
 17 A of the State School Fund in lieu of the amount that oth-
 18 erwise would be appropriated pursuant to Section 41841.5
 19 of the Education Code, Program 10.50.010.002-Adults in
 20 Correctional Facilities..... 18,215,000
- 21 Provisions:
- 22 1. Notwithstanding Section 41841.5 of the Education
 23 Code, or any other provision of law, all of the follow-
 24 ing shall apply:
- 25 (a) The amount appropriated in this item and any
 26 amount allocated for this program in this act shall
 27 be the only funds available for allocation by the
 28 Superintendent of Public Instruction to school
 29 districts or county offices of education for the
 30 Adults in Correctional Facilities Program.
- 31 (b) The amount appropriated in this item shall be al-
 32 located based upon prior year rather than current
 33 year expenditures.
- 34 (c) Funding distributed to each local educational
 35 agency (LEA) for reimbursement of services
 36 provided in the prior fiscal year for the Adults in
 37 Correctional Facilities Program shall be limited
 38 to the amount received by the agency for services
 39 provided in the 2006–07 fiscal year. Funding shall
 40 be reduced or eliminated, as appropriate, for any

LEA that reduces or eliminates services provided under this program in the prior fiscal year, as compared to the level of services provided in the 2006–07 fiscal year. Any funds remaining as a result of those decreased levels of service shall be allocated to provide support for new programs in accordance with Section 41841.8 of the Education Code.

(d) Funding appropriated in this item for growth in average daily attendance (ADA) first shall be allocated to programs that are funded for 20 units or less of ADA, up to a maximum of 20 additional units of ADA per program.

2. \$444,000 is provided for increases in average daily attendance. If growth funds are insufficient, the State Department of Education may adjust the per-pupil growth rates to conform to available funds. Additionally, \$0 is for the purpose of providing a cost-of-living adjustment.

SEC. 69. Item 6110-161-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-161-0001—For local assistance, Department of Education (Proposition 98), Program 10.60-Special Education Programs for Exceptional Children..... 3,116,298,000
Schedule:

- (1) 10.60.050.003-Special education instruction..... 3,046,014,000
- (2) 10.60.050.080-Early Education Program for Individuals with Exceptional Needs..... 84,679,000
- (3) Reimbursements for Early Education Program, Part C..... -14,395,000

Provisions:

- 1. Funds appropriated by this item are for transfer by the Controller to Section A of the State School Fund, in lieu of the amount that otherwise would be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for

the 2008–09 fiscal year pursuant to Sections 14002 and 41301 of the Education Code, for apportionment pursuant to Part 30 (commencing with Section 56000) of Division 4 of Title 2 of the Education Code, superseding all prior law.

2. Of the funds appropriated in Schedule (1), up to \$13,206,000, plus any cost-of-living adjustment, shall be available for the purchase, repair, and inventory maintenance of specialized books, materials, and equipment for pupils with low-incidence disabilities, as defined in Section 56026.5 of the Education Code.
3. Of the funds appropriated in Schedule (1), up to \$10,080,000, plus any cost-of-living adjustment, shall be available for the purposes of vocational training and job placement for special education pupils through Project Workability I pursuant to Article 3 (commencing with Section 56470) of Chapter 4.5 of Part 30 of Division 4 of Title 2 of the Education Code. As a condition of receiving these funds, each local educational agency shall certify that the amount of nonfederal resources, exclusive of funds received pursuant to this provision, devoted to the provision of vocational education for special education pupils shall be maintained at or above the level provided in the 1984–85 fiscal year. The Superintendent of Public Instruction may waive this requirement for local educational agencies that demonstrate that the requirement would impose a severe hardship.
4. Of the funds appropriated in Schedule (1), up to \$5,258,000, plus any cost-of-living adjustment (COLA), shall be available for regional occupational centers and programs that serve pupils having disabilities ; up to \$87,617,000, plus any COLA, shall be available for regionalized program specialist services ; and up to \$2,573,000, plus any COLA, shall be available for small special education local plan areas (SELPAs) pursuant to Section 56836.24 of the Education Code.
5. Of the funds appropriated in Schedule (1), up to \$3,000,000 is provided for extraordinary costs associated with single placements in nonpublic, nonsectarian

schools, pursuant to Section 56836.21 of the Education Code. Pursuant to legislation, these funds shall also provide reimbursement for costs associated with pupils residing in licensed children's institutes.

6. Of the funds appropriated in Schedule (1), up to \$205,213,000, plus any cost-of-living adjustment (COLA), is available to fund the costs of children placed in licensed children's institutions who attend nonpublic schools based on the funding formula authorized in Chapter 914 of the Statutes of 2004.

7. Funds available for infant units shall be allocated with the following average number of pupils per unit:

- (a) For special classes and centers—16.
- (b) For resource specialist programs—24.
- (c) For designated instructional services—16.

8. Notwithstanding any other provision of law, early education programs for infants and toddlers shall be offered for 200 days. Funds appropriated in Schedule (2) shall be allocated by the State Department of Education for the 2008–09 fiscal year to those programs receiving allocations for instructional units pursuant to Section 56432 of the Education Code for the Early Education Program for Individuals with Exceptional Needs operated pursuant to Chapter 4.4 (commencing with Section 56425) of Part 30 of Division 4 of Title 2 of the Education Code, based on computing 200-day entitlements. Notwithstanding any other provision of law, funds in Schedule (2) shall be used only for the purposes specified in Provisions 10 and 11.

9. Notwithstanding any other provision of law, state funds appropriated in Schedule (2) in excess of the amount necessary to fund the deficiated entitlements pursuant to Section 56432 of the Education Code and Provision 10 shall be available for allocation by the State Department of Education to local educational agencies for the operation of programs serving solely low-incidence infants and toddlers pursuant to Title 14 (commencing with Section 95000) of the Government Code. These funds shall be allocated to each local educational agency for each solely low-incidence child

1 through age two in excess of the number of solely low-
2 incidence children through age two served by the local
3 educational agency during the 1992–93 fiscal year and
4 reported on the April 1993 pupil count. These funds
5 shall only be allocated if the amount of reimbursement
6 received from the State Department of Developmental
7 Services is insufficient to fully fund the costs of oper-
8 ating the Early Intervention Program, as authorized
9 by Title 14 (commencing with Section 95000) of the
10 Government Code.

- 11 10. The State Department of Education, through coordina-
12 tion with the special education local plan areas, shall
13 ensure local interagency coordination and collaboration
14 in the provision of early intervention services, includ-
15 ing local training activities, child-find activities, public
16 awareness, and the family resource center activities.
- 17 11. Funds appropriated in this item, unless otherwise
18 specified, are available for the sole purpose of funding
19 2008–09 special education program costs and shall
20 not be used to fund any prior year adjustments, claims,
21 or costs.
- 22 12. Of the amount provided in Schedule (1), up to
23 \$188,000, plus any cost-of-living adjustment, shall be
24 available to fully fund the declining enrollment of
25 necessary small special education local plan areas
26 pursuant to Chapter 551 of the Statutes of 2001.
- 27 13. Pursuant to Section 56427 of the Education Code, of
28 the funds appropriated in Schedule (1) of this item, up
29 to \$2,324,000 may be used to provide funding for in-
30 fant programs, and may be used for those programs
31 that do not qualify for funding pursuant to Section
32 56432 of the Education Code.
- 33 14. Of the funds appropriated in Schedule (1), up to
34 \$29,478,000 shall be allocated to local educational
35 agencies for the purposes of Project Workability I.
- 36 15. Of the funds appropriated in Schedule (1), up to
37 \$1,700,000 shall be used to provide specialized ser-
38 vices to pupils with low-incidence disabilities, as de-
39 fined in Section 56026.5 of the Education Code.

- 1 16. Of the funds appropriated in Schedule (1), up to
2 \$1,117,000 shall be used for a personnel development
3 program. This program shall include state-sponsored
4 staff development for special education personnel to
5 have the necessary content knowledge and skills to
6 serve children with disabilities. This funding may in-
7 clude training and services targeting special education
8 teachers and related service personnel that teach core
9 academic or multiple subjects to meet the applicable
10 special education requirements of the Individuals with
11 Disabilities Education Improvement Act of 2004 (20
12 U.S.C. Sec. 1400 et seq.).
- 13 17. Of the funds appropriated in Schedule (1), up to
14 \$200,000 shall be used for research and training in
15 cross-cultural assessments.
- 16 18. Of the amount specified in Schedule (1), up to
17 \$31,000,000 shall be used to provide mental health
18 services required by an individual education plan
19 pursuant to the federal Individuals with Disabilities
20 Education Improvement Act of 2004 (20 U.S.C. Sec.
21 1400 et seq.) and pursuant to Chapter 493 of the
22 Statutes of 2004.
- 23 19. Of the amount provided in Schedule (1), \$0 is provided
24 for cost-of-living adjustments.
- 25 20. Of the amount provided in Schedule (2), \$0 is provided
26 for cost-of-living adjustments.
- 27 21. Of the amount appropriated in this item, up to
28 \$1,480,000 is available for the state's share of costs
29 in the settlement of Emma C. v. Delaine Eastin, et al.
30 (N.D. Cal. No. C96-4179TEH). The State Department
31 of Education shall report by January 1, 2009, to the
32 fiscal committees of both houses of the Legislature,
33 the Department of Finance, and the Legislative Ana-
34 lyst's Office on the planned use of the additional spe-
35 cial education funds provided to the Ravenswood Ele-
36 mentary School District pursuant to this settlement.
37 The report shall also provide the State Department of
38 Education's best estimate of when this supplemental
39 funding will no longer be required by the court. The
40 State Department of Education shall comply with the

requirements of Section 948 of the Government Code in any further request for funds to satisfy this settlement.

22. Of the funds appropriated in this item, up to \$2,500,000 shall be allocated directly to special education local plan areas for a personnel development program that meets the highly qualified teacher requirements and ensures that all personnel necessary to carry out this part are appropriately and adequately prepared, subject to the requirements of paragraph (14) of subdivision (a) of Section 612 of the federal Individuals with Disabilities Education Improvement Act of 2004 (20 U.S.C. Sec. 1400 et seq.), and Section 2122 of the federal Elementary and Secondary Education Act of 1965 (20 U.S.C. Sec. 6301 et seq.). The local in-service programs shall include a parent training component and may include a staff training component, and may include a special education teacher component for special education service personnel and paraprofessionals, consistent with state certification and licensing requirements. Use of these funds shall be described in the local plans. These funds may be used to provide training in alternative dispute resolution and the local mediation of disputes. All programs are to include evaluation components.

23. Notwithstanding any other provision of law, state funds appropriated in Schedule (1) in excess of the amount necessary to fund the defined entitlement shall be to fulfill other shortages in entitlements budgeted in this schedule by the State Department of Education, upon Department of Finance approval, to any program funded under Schedule (1).

24. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

25. Of the funds appropriated in Schedule (1), the amount resulting from increases in federal funds reflected in the calculation performed in paragraph (1) of subdivision (c) of Section 56836.08 of the Education Code shall be allocated based on an equal amount per aver-

age daily attendance and added to each special education local plan area's base funding, consistent with paragraphs (1) to (4), inclusive, of subdivision (b) of Section 56836.158 of the Education Code. This amount may be up to \$19,000,000 less adjustments for state operations and preschool. When the final amount is determined, the State Department of Education shall provide this information to the Department of Finance and the budget committees of each house of the Legislature.

SEC. 70. Item 6110-167-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-167-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 10.70-Agricultural Career Technical Education Incentive Program established pursuant to Article 7.5 (commencing with Section 52460) of Chapter 9 of Part 28 of Division 4 of Title 2 of the Education Code..... 5,174,000

Provisions:

1. As a condition of receiving funds appropriated in this item, a school district shall certify to the Superintendent of Public Instruction both of the following:
 - (a) Agricultural Career Technical Education Incentive Program funds shall be expended for the items identified in its application, except that, in items of expenditure classification 4000, only the total cost of expenses shall be required and itemization shall not be required.
 - (b) The school district shall provide at least 50 percent of the cost of the items and costs from expenditure classification 4000, as identified in its application, from other funding sources. This provision does not limit the authority of the Superintendent of Public Instruction to waive the local matching requirement established by subdivision (b) of Section 52461.5 of the Education Code.

2. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
3. Of the amount appropriated in this item, \$0 is provided for a cost-of-living adjustment.

SEC. 71. Item 6110-181-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-181-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 20.10.025-Educational Technology, programs funded pursuant to Article 15 (commencing with Section 51870) of Chapter 5 of Part 28 of Division 4 and Chapter 3.34 (commencing with Section 44730) of Part 25 of Division 3 of Title 2 of the Education Code..... 17,611,000

Provisions:

1. Of the funds appropriated in this item, \$0 is for the purpose of a cost-of-living adjustment.
2. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
3. As a part of the support system authorized by paragraph (5) of subdivision (a) of Section 51871 of the Education Code, the California Technology Assistance Project regional consortia shall assist school districts in using pupil achievement data to inform instruction and improve pupil learning. The regional consortia shall also support the identification and dissemination of best practices in the area of data-driven instructional improvement.

SEC. 72. Item 6110-189-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-189-0001—For local assistance, Department of Education
(Proposition 98), Program 20.20.020.005-Instructional
Support, for transfer to State Instructional Materials Fund
pursuant to Article 3 (commencing with Section 60240)
of Chapter 2 of Part 33 of Division 4 of Title 2 of the Edu-
cation Code (Instructional Materials Block Grant)..... 417,591,000

Provisions:

1. The funds in this item shall be allocated to school districts to purchase standards-aligned instructional materials.
2. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.
3. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

SEC. 73. Item 6110-190-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-190-0001—For local assistance, Department of Education
(Proposition 98), for transfer to Section A of the State
School Fund, Program 10.10.021-School Apportionments,
Community Day Schools established pursuant to Article
3 (commencing with Section 48660) of Chapter 4 of Part
27 of Division 4 of Title 2 of the Education Code..... 47,248,000

Provisions:

1. Funds appropriated in this item shall not be available for the purposes of Section 41972 of the Education Code.
2. Of the funds appropriated in this item, \$0 is for the purpose of providing a cost-of-living adjustment.
3. An additional \$4,751,000 in expenditures for this item has been deferred until the 2009–10 fiscal year.

SEC. 74. Item 6110-193-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-193-0001—For local assistance, State Department of Education (Proposition 98), for transfer to Section A of the
State School Fund, Program 20.60-Staff Development..... 32,484,000

Schedule:

- | | |
|---|------------|
| (1) 20.60.070-Instructional Support: Bilingual Teacher Training Assistance Program..... | 2,138,000 |
| (2) 20.60.060-Instructional Support: Teacher Peer Review..... | 29,944,000 |
| (3) 20.60.110-Instructional Support: Improving School Effectiveness-Reader Services for Blind Teachers..... | 402,000 |

Provisions:

1. Notwithstanding any other provision of law, the amount appropriated in Schedule (1) shall be the maximum amount allocated for the purposes of the Bilingual Teacher Training Assistance Program established by Article 4 (commencing with Section 52180) of Chapter 7 of Part 28 of Division 4 of Title 2 of the Education Code.
2. Of the funds appropriated in Schedule (1), \$0 is for the purpose of providing a cost-of-living adjustment.
3. The funds appropriated in Schedule (2) shall be allocated in accordance with Article 4.5 (commencing with Section 44500) of Chapter 3 of Part 25 of Division 3 of Title 2 of the Education Code. If the funds are insufficient to fully fund growth in this program, the State Department of Education may adjust the per-participant rate to conform to available funds. Funds appropriated in Schedule (2) include \$0 for the purpose of providing a cost-of-living adjustment.
4. Notwithstanding any other provision of law, the amount appropriated in Schedule (3) shall be the maximum amount allocated for the purposes of the Reader Services for Blind Teachers Program, for transfer to the Reader Employment Fund established by Section 45371 of the Education Code for the purposes of Section 44925 of the Education Code.
5. Of the funds appropriated in Schedule (3), \$0 is for the purpose of providing a cost-of-living adjustment.
6. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

SEC. 75. Item 6110-196-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-196-0001—For local assistance, Department of Education (Proposition 98), for transfer by the Controller to Section A of the State School Fund, for allocation by the Superintendent of Public Instruction to school districts, county offices of education, and other agencies for the purposes of Proposition 98 educational programs funded in this item, in lieu of the amount that otherwise would be appropriated pursuant to any other statute..... 1,772,364,000

Schedule:

(1) 30.10.010-Special Program, Child Development, Preschool Education..... 441,854,000

(1.5) 30.10.020-Child Care Services..... 1,857,104,000

(a) 30.10.020.001-Special Program, Child Development, General Child Development Programs..... 804,649,000

(c) 30.10.020.004-Special Program, Child Development, Migrant Day Care..... 40,570,000

(d) 30.10.020.007-Special Program, Child Development, Alternative Payment Program..... 257,037,000

(e) 30.10.020.011-Special Program, Child Development, Alternative Payment Program—Stage 2..... 369,960,000

1	(f)	30.10.020.012-Spe-	
2		cial Program, Child	
3		Development, Alter-	
4		native Payment Pro-	
5		gram—Stage 3 Seta-	
6		side.....	245,204,000
7	(g)	30.10.020.008-Spe-	
8		cial Program, Child	
9		Development, Re-	
10		source and Refer-	
11		ral.....	19,438,000
12	(i)	30.10.020.015-Spe-	
13		cial Program, Child	
14		Development, Extend-	
15		ed Day Care.....	35,890,000
16	(j)	30.10.020.096-Special	
17		Program, Child Devel-	
18		opment, Allowance for	
19		Handicapped.....	1,997,000
20	(k)	30.10.020.106-Special	
21		Program, Child Devel-	
22		opment, California	
23		Child Care Initia-	
24		tive.....	250,000
25	(l)	30.10.020.901-Spe-	
26		cial Program, Child	
27		Development, Quali-	
28		ty Improvement.....	67,572,000
29	(m)	30.10.020.911-Special	
30		Program, Child Devel-	
31		opment, Centralized	
32		Eligibility List.....	7,900,000
33	(n)	30.10.020.920-Special	
34		Program, Child Devel-	
35		opment, Local Plan-	
36		ning Councils.....	6,637,000
37	(3)	30.10.020.908-Special Program, Child	
38		Development, Cost-of-Living Adjust-	
39		ments.....	0

- 1 (4) 30.10.020.909-Special Program, Child
- 2 Development, Growth Adjustments..... 10,917,000
- 3 (5) Amount payable from the Federal
- 4 Trust Fund (Item 6110-196-0890)..... -537,511,000
- 5 Provisions:
- 6 1. Notwithstanding Section 8278 of the Education Code,
- 7 funds available for expenditure pursuant to that section
- 8 shall be expended in the current fiscal year pursuant
- 9 to the following schedule:
- 10 (a) \$4,000,000 or whatever lesser or greater amount
- 11 is necessary for accounts payable pursuant to
- 12 paragraph (1) of subdivision (b) of Section 8278
- 13 of the Education Code.
- 14 (b) \$22,963,000 shall be available for CalWORKs
- 15 Stage 3 child care.
- 16 (c) The Controller shall establish an account entitled
- 17 "Section 8278 Expenditures in 2007" in Item
- 18 6110-196-0001, Program 30.10.060. Any unex-
- 19 pended General Fund balances as of June 30,
- 20 2008, or subsequent abatements, from those
- 21 amounts listed in Schedules (1), (1.5)(a), (1.5)(c),
- 22 (1.5)(d), (1.5)(g), (1.5)(i), (1.5)(j), (1.5)(k),
- 23 (1.5)(l), and (1.5)(n), that are available pursuant
- 24 to Section 8278 of the Education Code, shall be
- 25 transferred to the account for the purpose of
- 26 making expenditures pursuant to that section and
- 27 as specified in this provision.
- 28 2. (a) Notwithstanding any other provision of law, alter-
- 29 native payment child care programs shall be sub-
- 30 ject to the rate ceilings established in the Regional
- 31 Market Rate Survey of California child care and
- 32 development providers for provider payments.
- 33 When approved pursuant to Section 8447 of the
- 34 Education Code, any changes to the market rate
- 35 limits, adjustment factors, or regions shall be uti-
- 36 lized by the State Department of Education and
- 37 the State Department of Social Services in various
- 38 programs under the jurisdiction of either depart-
- 39 ment.

(b) Notwithstanding any other provision of law, the funds appropriated in this item for the cost of licensed child care services provided through alternative payment or voucher programs, including those provided under Article 3 (commencing with Section 8220) and Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, shall be used only to reimburse child care costs up to the 85th percentile of the rates charged by providers offering the same type of child care for the same age child in that region effective March 1, 2009, based on the 2007 Regional Market Rate Survey data. The State Department of Education shall cause to be developed rate limits at the 85th percentile, based on the 2007 survey data, and submit for approval in accordance with law to the Department of Finance no later than October 1, 2008, to enable the rate limits to be reviewed and then implemented by March 1, 2009. The State Department of Education may redirect funding from funds normally reserved for new surveys to achieve this goal, as necessary.

3. ~~Of the amount appropriated in Schedule (1), \$50,000,000 is available for Prekindergarten and Family Literacy preschool programs pursuant to Chapter 211 of the Statutes of 2006. Of the amount appropriated in Schedule (1), \$5,000,000 is available for the provision of wraparound care to children enrolled in state preschool programs. The Superintendent of Public Instruction shall assign priority for these funds to children enrolled in prekindergarten and family literacy programs authorized by Section 8238.4 of the Education Code.~~

4. ~~Funds in Schedule (1.5)(f) shall be reserved for activities to improve the quality and availability of child care, pursuant to the following:~~

(a) ~~\$2,014,056 is for the schoolage care and resource and referral earmark.~~

- 1 (b) \$11,359,176 is for the infant and toddler earmark
2 and shall be used for increasing the supply of
3 quality child care for infants and toddlers.
- 4 (c) \$7,237,000 in one-time federal funding is avail-
5 able for use in the 2008-09 fiscal year. Of that
6 amount, \$200,000 shall be used for Trustline
7 registration workload (Chapter 3.35 (commencing
8 with Section 1596.60) of Division 2 of the Health
9 and Safety Code). The remaining funds shall be
10 used for child care and development quality ex-
11 penditures identified by the State Department of
12 Education (SDE) and approved by the Department
13 of Finance.
- 14 (d) From the remaining funds in Schedule (1.5)(f),
15 the following amounts shall be allocated for the
16 following purposes: \$4,000,000 to train former
17 CalWORKs recipients as child care teachers;
18 \$2,700,000 for contracting with the State Depart-
19 ment of Social Services (DSS) for increased in-
20 spections of child care facilities; \$1,000,000 for
21 Trustline registration workload (Chapter 3.35
22 (commencing with Section 1596.60) of Division
23 2 of the Health and Safety Code); \$500,000 for
24 health and safety training for licensed and exempt
25 child care providers; \$300,000 for the Health
26 Hotline; and \$300,000 to implement a technical
27 assistance program to child care providers in ac-
28 cessing financing for renovation, expansion, or
29 construction of child care facilities.
- 30 (e) When developing the 2008-09 expenditure plan
31 for proposed state and local activities to improve
32 child care, the SDE shall follow these three prin-
33 ciples: (1) preserve funding for activities that
34 provide direct services and supports to families;
35 (2) preserve funding for activities that provide
36 direct services and supports to child care providers
37 and teachers; and (3) comply with federal man-
38 dates, including quality earmarks and set-asides.
- 39 5. Of the amount appropriated in Schedule (1.5)(f),
40 \$15,000,000 shall be for child care worker recruitment

1 and retention programs pursuant to Section 8279.7 of
2 the Education Code, and \$320,000 shall be for the
3 Child Development Training Consortium.

- 4 6. (a) The State Department of Education (SDE) shall
5 conduct monthly analyses of CalWORKs Stage
6 2 and Stage 3 caseloads and expenditures and
7 adjust agency contract maximum reimbursement
8 amounts and allocations as necessary to ensure
9 funds are distributed proportionally to need. The
10 SDE shall share monthly caseload analyses with
11 the State Department of Social Services (DSS).
12 (b) The SDE shall provide quarterly information re-
13 garding the sufficiency of funding for Stage 2 and
14 Stage 3 to DSS. The SDE shall provide caseloads,
15 expenditures, allocations, unit costs, family fees,
16 and other key variables and assumptions used in
17 determining the sufficiency of state allocations.
18 Detailed backup by month and on a county-by-
19 county basis shall be provided to the DSS at least
20 on a quarterly basis for comparisons with Stage
21 1 trends.
22 (d) By September 30 and March 30 of each year, the
23 SDE shall ensure that detailed caseload and expen-
24 diture data, through the most recent period for
25 Stage 2 and Stage 3 Setaside along with all rele-
26 vant assumptions, is provided to DSS to facilitate
27 budget development. The detailed data provided
28 shall include actual and projected monthly
29 caseload from Stage 2 scheduled to time off of
30 their transitional child care benefit from the last
31 actual month reported by agencies through the
32 next two fiscal years as well as local attrition ex-
33 perience. DSS shall utilize data provided by the
34 SDE, including key variables from the prior fiscal
35 year and the first two months of the current fiscal
36 year, to provide coordinated estimates in
37 November of each year for each of the three stages
38 of care for preparation of the Governor's Budget,
39 and shall utilize data from at least the first two
40 quarters of the current fiscal year, and any addi-

- 1 tional monthly data as they become available for
2 preparation of the May Revision. The DSS shall
3 share its assumptions and methodology with the
4 SDE in the preparation of the Governor's Budget.
- 5 (e) The SDE shall coordinate with the DSS to identify
6 annual general subsidized child care program ex-
7 penditures for Temporary Assistance for Needy
8 Families-eligible children. The SDE shall modify
9 existing reporting forms as necessary to capture
10 this data.
- 11 (f) The SDE shall provide to the DSS, upon request,
12 access to the information and data elements nec-
13 essary to comply with federal reporting require-
14 ments and any other information deemed neces-
15 sary to improve estimation of child care budgeting
16 needs.
- 17 7. Notwithstanding any other provision of law, the funds
18 in Schedule (1.5)(f) are reserved exclusively for con-
19 tinuing child care for the following: (a) former Cal-
20 WORKs families who are working, have left cash aid,
21 and have exhausted their two-year eligibility for tran-
22 sitional services in either Stage 1 or 2 pursuant to
23 subdivision (c) of Section 8351 or Section 8353 of the
24 Education Code, respectively, but still meet eligibility
25 requirements for receipt of subsidized child care ser-
26 vices, and (b) families who received lump-sum diver-
27 sion payments or diversion services under Section
28 11266.5 of the Welfare and Institutions Code and have
29 spent two years in Stage 2 off of cash aid, but still
30 meet eligibility requirements for receipt of subsidized
31 child care services.
- 32 8. Nonfederal funds appropriated in this item which have
33 been budgeted to meet the state's Temporary Assis-
34 tance for Needy Families maintenance-of-effort require-
35 ment established pursuant to the federal Personal Re-
36 sponsibility and Work Opportunity Reconciliation Act
37 of 1996 (P.L. 104-193) may not be expended in any
38 way that would cause their disqualification as a feder-
39 ally allowable maintenance-of-effort expenditure.

- 1 9. (a) Notwithstanding any other provision of law, the
2 income eligibility limits pursuant to Section
3 8263.1 of the Education Code that were applicable
4 to the 2007–08 fiscal year shall remain in effect
5 for the 2008–09 fiscal year.
- 6 (b) Notwithstanding any other provision of law, the
7 State Department of Education (SDE) shall update
8 the 2006–07 family fee schedule by family size
9 for use in the 2008–09 fiscal year based on the
10 state median income at the level at which it has
11 been determined for the 2007–08 fiscal year for
12 a family of four, in accordance with law. The SDE
13 shall ensure fees are not charged to families with
14 incomes lower than 40 percent of state median
15 income.
- 16 10. Of the amounts provided in this item, \$0 is available
17 to provide a cost-of-living adjustment for Schedules
18 (1), (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(g), (1.5)(i),
19 (1.5)(j), and (1.5)(n). The maximum standard reim-
20 bursement rate shall not exceed \$34.95 per day for
21 general child care programs and \$21.57 per day for
22 state preschool programs. Furthermore, the migrant
23 child care and Cal-SAFE child care programs shall
24 adhere to the maximum standard reimbursement rates
25 as prescribed for the general child care programs. All
26 other rates and adjustment factors shall be revised to
27 conform.
- 28 11. Of the amounts provided in this item, \$10,917,000 is
29 available to provide a growth adjustment for Schedules
30 (1), (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(i), and (1.5)(j).
- 31 12. (a) Notwithstanding any other provision of law, the
32 funds in Schedule (1.5)(m) are appropriated exclu-
33 sively for developing and maintaining a central-
34 ized eligibility list in each county pursuant to
35 Section 8227 of the Education Code. By Novem-
36 ber 1 of each year, the State Department of Edu-
37 cation shall provide a status report on implement-
38 ing eligibility lists in each county, which shall
39 include, but is not limited to, the cost of implemen-
40 tation and operation of the eligibility lists in each

county, and number of children and families on
the list for each county:

13. Notwithstanding Section 8278.3 of the Education Code
or any other provision of law, up to \$5,000,000 of the
Child Care Facilities Revolving Fund balance may be
allocated for use on a one-time basis for renovations
and repairs to meet health and safety standards, to
comply with the federal Americans with Disabilities
Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and to
perform emergency repairs, that were the result of an
unforeseen event and are necessary to maintain contin-
ued normal operation of the child care and develop-
ment program. These funds shall be made available
to school districts and contracting agencies that provide
subsidized center-based services pursuant to the Child
Care and Development Services Act (Chapter 2
(commencing with Section 8200) of Part 6 of Division
1 of Title 1 of the Education Code).

14. It is the intent of the Legislature to fully fund the third
stage of child care for former CalWORKs recipients.

*SEC. 75. Item 6110-196-0001 of Section 2.00 of the Budget
Act of 2008 is amended to read:*

6110-196-0001—For local assistance, Department of Educa-
tion (Proposition 98), for transfer by the Controller to
Section A of the State School Fund, for allocation by
the Superintendent of Public Instruction to school dis-
tricts, county offices of education, and other agencies
for the purposes of Proposition 98 educational programs
funded in this item, in lieu of the amount that otherwise
would be appropriated pursuant to any other statute..... 1,806,646,000
1,772,364,000

Schedule:

(1) 30.10.010-Special Program, Child De-
velopment, Preschool Education..... 441,854,000
(1.5) 30.10.020-Child Care Services..... 1,857,104,000

1	(a) 30.10.020.001-Spe-	
2	cial Program, Child	
3	Development, Gen-	
4	eral Child Develop-	
5	ment Programs.....	804,649,000
6	(c) 30.10.020.004-Spe-	
7	cial Program, Child	
8	Development, Mi-	
9	grant Day Care.....	40,570,000
10	(d) 30.10.020.007-Spe-	
11	cial Program, Child	
12	Development, Alter-	
13	native Payment Pro-	
14	gram.....	257,037,000
15	(e) 30.10.020.011-Spe-	
16	cial Program, Child	
17	Development, Alter-	
18	native Payment Pro-	
19	gram—Stage 2.....	369,960,000
20	(f) 30.10.020.012-Spe-	
21	cial Program, Child	
22	Development, Alter-	
23	native Payment Pro-	
24	gram—Stage 3 Seta-	
25	side.....	245,204,000
26	(g) 30.10.020.008-Spe-	
27	cial Program, Child	
28	Development, Re-	
29	source and Refer-	
30	ral.....	19,438,000
31	(i) 30.10.020.015-Spe-	
32	cial Program, Child	
33	Development, Extend-	
34	ed Day Care.....	35,890,000
35	(j) 30.10.020.096-Special	
36	Program, Child Devel-	
37	opment, Allowance for	
38	Handicapped.....	1,997,000

1	(k) 30.10.020.106-Special	
2	Program, Child Devel-	
3	opment, California	
4	Child Care Initia-	
5	tive.....	250,000
6	(l) 30.10.020.901-Spe-	
7	cial Program, Child	
8	Development, Quali-	
9	ty Improvement.....	67,572,000
10	(m) 30.10.020.911-Special	
11	Program, Child Devel-	
12	opment, Centralized	
13	Eligibility List.....	7,900,000
14	(n) 30.10.020.920-Special	
15	Program, Child Devel-	
16	opment, Local Plan-	
17	ning Councils.....	6,637,000
18	(3) 30.10.020.908-Special Program, Child	
19	Development, Cost-of-Living Adjust-	
20	ments.....	34,282,000
21		0
22	(4) 30.10.020.909-Special Program, Child	
23	Development, Growth Adjustments.....	10,917,000
24	(5) Amount payable from the Federal	
25	Trust Fund (Item 6110-196-0890).....	-537,511,000
26	Provisions:	
27	1. Notwithstanding Section 8278 of the Education Code,	
28	funds available for expenditure pursuant to that section	
29	shall be expended in the current fiscal year pursuant	
30	to the following schedule:	
31	(a) \$4,000,000 or whatever lesser or greater amount	
32	is necessary for accounts payable pursuant to	
33	paragraph (1) of subdivision (b) of Section 8278	
34	of the Education Code.	
35	(b) \$22,963,000 shall be available for CalWORKs	
36	Stage 3 child care.	
37	(c) The Controller shall establish an account entitled	
38	“Section 8278 Expenditures in 2007” in Item	
39	6110-196-0001, Program 30.10.060. Any unex-	
40	pended General Fund balances as of June 30,	

2008, or subsequent abatements, from those amounts listed in Schedules (1), (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(g), (1.5)(i), (1.5)(j), (1.5)(k), (1.5)(l), and (1.5)(n), that are available pursuant to Section 8278 of the Education Code, shall be transferred to the account for the purpose of making expenditures pursuant to that section and as specified in this provision.

2. (a) Notwithstanding any other provision of law, alternative payment child care programs shall be subject to the rate ceilings established in the Regional Market Rate Survey of California child care and development providers for provider payments. When approved pursuant to Section 8447 of the Education Code, any changes to the market rate limits, adjustment factors, or regions shall be utilized by the State Department of Education and the State Department of Social Services in various programs under the jurisdiction of either department.

(b) Notwithstanding any other provision of law, the funds appropriated in this item for the cost of licensed child care services provided through alternative payment or voucher programs, including those provided under Article 3 (commencing with Section 8220) and Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, shall be used only to reimburse child care costs up to the 85th percentile of the rates charged by providers offering the same type of child care for the same age child in that region effective March 1, 2009, based on the 2007 Regional Market Rate Survey data. The State Department of Education shall cause to be developed rate limits at the 85th percentile, based on the 2007 survey data, and submit for approval in accordance with law to the Department of Finance no later than October 1, 2008, to enable the rate limits to be reviewed and then implemented by March 1, 2009. The State Depart-

1 ment of Education may redirect funding from
2 funds normally reserved for new surveys to
3 achieve this goal, as necessary.

- 4 3. Of the amount appropriated in Schedule (1),
5 \$50,000,000 is available for Prekindergarten and
6 Family Literacy preschool programs pursuant to
7 Chapter 211 of the Statutes of 2006. Of the amount
8 appropriated in Schedule (1), \$5,000,000 is available
9 for the provision of wraparound care to children en-
10 rolled in state preschool programs. The Superintendent
11 of Public Instruction shall assign priority for these
12 funds to children enrolled in prekindergarten and
13 family literacy programs authorized by Section 8238.4
14 of the Education Code.
- 15 4. Funds in Schedule (1.5)(l) shall be reserved for activ-
16 ities to improve the quality and availability of child
17 care, pursuant to the following:
- 18 (a) \$2,014,056 is for the schoolage care and resource
19 and referral earmark.
- 20 (b) \$11,359,176 is for the infant and toddler earmark
21 and shall be used for increasing the supply of
22 quality child care for infants and toddlers.
- 23 (c) \$7,237,000 in one-time federal funding is avail-
24 able for use in the 2008–09 fiscal year. Of that
25 amount, \$200,000 shall be used for Trustline
26 registration workload (Chapter 3.35 (commencing
27 with Section 1596.60) of Division 2 of the Health
28 and Safety Code). The remaining funds shall be
29 used for child care and development quality ex-
30 penditures identified by the State Department of
31 Education (SDE) and approved by the Department
32 of Finance.
- 33 (d) From the remaining funds in Schedule (1.5)(l),
34 the following amounts shall be allocated for the
35 following purposes: \$4,000,000 to train former
36 CalWORKs recipients as child care teachers,
37 \$2,700,000 for contracting with the State Depart-
38 ment of Social Services (DSS) for increased in-
39 spections of child care facilities, \$1,000,000 for
40 Trustline registration workload (Chapter 3.35

(commencing with Section 1596.60) of Division 2 of the Health and Safety Code), \$500,000 for health and safety training for licensed and exempt child care providers, \$300,000 for the Health Hotline, and \$300,000 to implement a technical assistance program to child care providers in accessing financing for renovation, expansion, or construction of child care facilities.

- (e) When developing the 2008–09 expenditure plan for proposed state and local activities to improve child care, the SDE shall follow these three principles: (1) preserve funding for activities that provide direct services and supports to families, (2) preserve funding for activities that provide direct services and supports to child care providers and teachers, and (3) comply with federal mandates, including quality earmarks and set-asides.
5. Of the amount appropriated in Schedule (1.5)(I), \$15,000,000 shall be for child care worker recruitment and retention programs pursuant to Section 8279.7 of the Education Code, and \$320,000 shall be for the Child Development Training Consortium.
6. (a) The State Department of Education (SDE) shall conduct monthly analyses of CalWORKs Stage 2 and Stage 3 caseloads and expenditures and adjust agency contract maximum reimbursement amounts and allocations as necessary to ensure funds are distributed proportionally to need. The SDE shall share monthly caseload analyses with the State Department of Social Services (DSS).
- (b) The SDE shall provide quarterly information regarding the sufficiency of funding for Stage 2 and Stage 3 to DSS. The SDE shall provide caseloads, expenditures, allocations, unit costs, family fees, and other key variables and assumptions used in determining the sufficiency of state allocations. Detailed backup by month and on a county-by-county basis shall be provided to the DSS at least on a quarterly basis for comparisons with Stage 1 trends.

- (d) By September 30 and March 30 of each year, the SDE shall ensure that detailed caseload and expenditure data, through the most recent period for Stage 2 and Stage 3 Setaside along with all relevant assumptions, is provided to DSS to facilitate budget development. The detailed data provided shall include actual and projected monthly caseload from Stage 2 scheduled to time off of their transitional child care benefit from the last actual month reported by agencies through the next two fiscal years as well as local attrition experience. DSS shall utilize data provided by the SDE, including key variables from the prior fiscal year and the first two months of the current fiscal year, to provide coordinated estimates in November of each year for each of the three stages of care for preparation of the Governor's Budget, and shall utilize data from at least the first two quarters of the current fiscal year, and any additional monthly data as they become available for preparation of the May Revision. The DSS shall share its assumptions and methodology with the SDE in the preparation of the Governor's Budget.
- (e) The SDE shall coordinate with the DSS to identify annual general subsidized child care program expenditures for Temporary Assistance for Needy Families-eligible children. The SDE shall modify existing reporting forms as necessary to capture this data.
- (f) The SDE shall provide to the DSS, upon request, access to the information and data elements necessary to comply with federal reporting requirements and any other information deemed necessary to improve estimation of child care budgeting needs.

7. Notwithstanding any other provision of law, the funds in Schedule (1.5)(f) are reserved exclusively for continuing child care for the following: (a) former CalWORKs families who are working, have left cash aid, and have exhausted their two-year eligibility for tran-

sitional services in either Stage 1 or 2 pursuant to subdivision (c) of Section 8351 or Section 8353 of the Education Code, respectively, but still meet eligibility requirements for receipt of subsidized child care services, and (b) families who received lump-sum diversion payments or diversion services under Section 11266.5 of the Welfare and Institutions Code and have spent two years in Stage 2 off of cash aid, but still meet eligibility requirements for receipt of subsidized child care services.

8. Nonfederal funds appropriated in this item which have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance-of-effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) may not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
9. (a) Notwithstanding any other provision of law, the income eligibility limits pursuant to Section 8263.1 of the Education Code that were applicable to the 2007–08 fiscal year shall remain in effect for the 2008–09 fiscal year.
- (b) Notwithstanding any other provision of law, the State Department of Education (SDE) shall update the 2006–07 family fee schedule by family size for use in the 2008–09 fiscal year based on the state median income at the level at which it has been determined for the 2007–08 fiscal year for a family of four, in accordance with law. The SDE shall ensure fees are not charged to families with incomes lower than 40 percent of state median income.
10. Of the amounts provided in this item, ~~\$34,282,000~~ \$0 is available to provide a cost-of-living adjustment for Schedules (1), (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(g), (1.5)(i), (1.5)(j), and (1.5)(n). The maximum standard reimbursement rate shall not exceed ~~\$35.11~~ \$34.38 per day for general child care programs and ~~\$21.67~~ \$21.22 per day for state preschool programs. Further-

more, the migrant child care and Cal-SAFE child care programs shall adhere to the maximum standard reimbursement rates as prescribed for the general child care programs. All other rates and adjustment factors shall be revised to conform.

11. Of the amounts provided in this item, \$10,917,000 is available to provide a growth adjustment for Schedules (1), (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(i), and (1.5)(j).
12. (a) Notwithstanding any other provision of law, the funds in Schedule (1.5)(m) are appropriated exclusively for developing and maintaining a centralized eligibility list in each county pursuant to Section 8227 of the Education Code. By November 1 of each year, the State Department of Education shall provide a status report on implementing eligibility lists in each county, which shall include, but is not limited to, the cost of implementation and operation of the eligibility lists in each county, and number of children and families on the list for each county.
13. Notwithstanding Section 8278.3 of the Education Code or any other provision of law, up to \$5,000,000 of the Child Care Facilities Revolving Fund balance may be allocated for use on a one-time basis for renovations and repairs to meet health and safety standards, to comply with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and to perform emergency repairs, that were the result of an unforeseen event and are necessary to maintain continued normal operation of the child care and development program. These funds shall be made available to school districts and contracting agencies that provide subsidized center-based services pursuant to the Child Care and Development Services Act (Chapter 2 (commencing with Section 8200) of Part 6 of Division 1 of Title 1 of the Education Code).
14. It is the intent of the Legislature to fully fund the third stage of child care for former CalWORKs recipients.

SEC. 76. Item 6110-198-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-198-0001—For local assistance, Department of Education (Proposition 98), for transfer by the Controller to Section A of the State School Fund, for allocation to school districts and county offices of education, in lieu of the amount that otherwise would be appropriated pursuant to statute..... 58,091,000
Schedule:

- | | |
|---|------------|
| (1) 20.60.220-Cal-SAFE Academic and Supportive Services..... | 19,863,550 |
| (2) 20.60.221-All Services for Non-converting Pregnant Minors Programs..... | 13,369,750 |
| (3) 30.10.020-Cal-SAFE Child Care..... | 24,857,700 |

Provisions:

2. The amounts appropriated in Schedules (1), (2), and (3) are based on estimates of the amounts required by existing programs for operation of Cal-SAFE programs in the current year. By October 31 of each year, the State Department of Education (SDE) shall submit to the Department of Finance current expenditure data for both the prior fiscal year and the current year showing each agency's allocation and supporting detail including average daily attendance and child care attendance and enrollment data. The SDE shall also provide estimates of average daily attendance and child care to be provided in the budget year.
3. Funds appropriated in Schedule (2) are available to provide funding for all child care, as well as both academic and supportive services for programs choosing to retain their Pregnant Minors Program revenue limit. Notwithstanding any other provision of law, the State Department of Education shall compute allocations to these agencies using the respective agencies' 1998–99 Pregnant Minors Program revenue limits. Further, notwithstanding any other provision of law, programs which choose to retain their Pregnant Minors Program revenue limit rather than convert to the Cal-SAFE revenue limit must provide child care

within the revenue limit funding for children of pupils comprising base year average daily attendance.

4. Of the funds appropriated in this item, \$0 is for the purpose of providing a cost-of-living adjustment.

5. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

6. Notwithstanding Section 26.00, the State Department of Education may transfer expenditure authority between Schedule (1) Cal-SAFE Academic and Supportive Services and Schedule (2) All Services for Nonconverting Pregnant Minors Programs, to accurately reflect expenditures in these programs, upon approval of the Department of Finance and notification of the Legislature.

7. In the event that funding in this item is insufficient to serve all eligible pupils, the State Department of Education shall prorate the amounts in Schedules (1) and (2).

SEC. 77. Item 6110-201-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-201-0890—For local assistance, Department of Education, Program 30.20-Child Nutrition, payable from the Federal Trust Fund..... 1,756,657,000
Schedule:

(1) 30.20.010-Child Nutrition Programs..... 1,724,207,000

(2) 30.20.040-Summer Food Service Program..... 32,450,000

Provisions:

1. Of the amount appropriated in Schedule (1), \$2,755,000 is provided from one-time federal funds for Fresh Fruit and Vegetable Program grants to local educational agencies.

SEC. 78. Item 6110-202-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-202-0001—For local assistance, Department of Education,
 Program 30.20.010-Child Nutrition Programs..... 11,742,000
 Provisions:

1. Funds appropriated are for child nutrition programs pursuant to Section 41311 of the Education Code. Claims for reimbursement of meals pursuant to this appropriation shall be submitted no later than September 30, 2009, to be eligible for reimbursement.
2. Funds appropriated shall be available for allocation in accordance with Section 49536 of the Education Code, except that the allocation shall not be made based on all meals served, but based on the number of meals that are served and that qualify as free or reduced-price meals in accordance with Sections 49501, 49550, and 49552 of the Education Code.
3. Of the funds appropriated in this item, \$0 is for the purpose of providing a cost-of-living adjustment.

SEC. 79. Item 6110-203-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-203-0001—For local assistance, Department of Education
 (Proposition 98), for transfer to Section A of the State
 School Fund, Program 30.20.010-Child Nutrition Programs,
 established pursuant to Sections 41311, 49501, 49536,
 49550, 49552, and 49559 of the Education Code..... 125,685,000
 Schedule:

- (1) 30.20.010-Child Nutrition Programs.... 126,027,000
- (2) Reimbursements..... -342,000

Provisions:

1. Funds appropriated in Schedule (1) shall be allocated pursuant to Section 41311 of the Education Code. Claims for reimbursement of meals pursuant to this allocation shall be submitted by school districts on or before September 30, 2009, to be eligible for reimbursement.
2. Funds designated for child nutrition programs in Schedule (1) shall be allocated in accordance with Section 49536 of the Education Code; however, the allocation shall be based not on all meals served, but

on the number of meals that are served and that qualify as free or reduced-price meals in accordance with Sections 49501, 49550, and 49552 of the Education Code.

4. Of the funds appropriated in this item, \$0 is for the purpose of providing a cost-of-living adjustment.
5. Of the funds appropriated in this item, \$2,404,000 is for the purpose of providing a growth adjustment due to an increase in the projected number of meals served.
6. If the appropriation in this item is insufficient to fully fund all eligible reimbursement claims pursuant to Section 49430.5 of the Education Code, the State Department of Education shall reimburse eligible claims at a prorated share of the funds appropriated by this item.
7. The State Department of Education shall notify the Department of Finance in writing 30 days prior to paying prior year reimbursement claims from this item pursuant to Section 16304.1 of the Government Code. No reimbursements shall be made prior to final approval of the Department of Finance.

SEC. 80. Item 6110-204-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-204-0001—For local assistance, Department of Education (Proposition 98), Program 20-Instructional Support for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction..... 72,752,000

Provisions:

1. The funds appropriated in this item are available to assist eligible pupils, pursuant to Section 37254 of the Education Code, who are required to pass the California High School Exit Examination in order to receive a diploma.
2. Of the amount appropriated in this item, \$0 is to provide a cost-of-living adjustment.
3. The per-pupil amount for grade 12 may not exceed \$520 in the 2008–09 fiscal year.

- 1 4. The funds in this item shall be allocated by the State
2 Department of Education as specified in this item no
3 later than October 1 of each fiscal year.

4
5 SEC. 81. Item 6110-209-0001 of Section 2.00 of the Budget
6 Act of 2008 is amended to read:

- 7
8 6110-209-0001—For local assistance, Department of Education
9 (Proposition 98), Program 10.10.090.002-Teacher Dis-
10 missal Apportionments, for transfer to Section A of the
11 State School Fund and allocation by the Controller for
12 payment of claims received pursuant to Section 44944 of
13 the Education Code..... 48,000
14 Provisions:
15 1. Of the funds appropriated in this item, \$0 is for the
16 purpose of providing a cost-of-living adjustment.

17
18 SEC. 82. Item 6110-211-0001 of Section 2.00 of the Budget
19 Act of 2008 is amended to read:

- 20
21 6110-211-0001—For local assistance, Department of Education
22 (Proposition 98), for transfer to Section A of the State
23 School Fund, Program 20.60.036 for Categorical Programs
24 for charter schools, in accordance with Sections 47634 and
25 47634.1 of the Education Code..... 183,865,000
26 Provisions:
27 1. The State Department of Education shall provide an
28 estimate of average daily attendance expected to be
29 claimed for this item for the 2009–10 fiscal year to
30 the Department of Finance and the Legislative Ana-
31 lyst’s Office by October 1 of each year, for use in de-
32 veloping the Governor’s Budget. The State Department
33 of Education shall provide an update of the estimate
34 by March 31 of each year, for preparation of the May
35 Revision.
36 2. An additional \$5,947,000 in expenditures for this item
37 has been deferred until the 2009–10 fiscal year.

38
39 SEC. 83. Item 6110-224-0001 of Section 2.00 of the Budget
40 Act of 2008 is amended to read:

6110-224-0001—For local assistance, Department of Education
(Proposition 98), for transfer to Section A of the State
School Fund, Year-Round School Grant Program estab-
lished pursuant to Article 3 (commencing with Section
42260) of Chapter 7 of Part 24 of Division 3 of Title 2 of
the Education Code..... 96,802,000
Schedule:
(1) 10.10.950.002-Operations Grants..... 96,802,000
Provisions:
1. The following provisions govern funds appropriated
for the Year-Round School Grant Program (Article 3
(commencing with Section 42260) of Chapter 7 of
Part 24 of Division 3 of Title 2 of the Education Code):
(a) Applications for year-round school grants pur-
suant to Section 42263 of the Education Code
shall be received annually by the Superintendent
of Public Instruction no later than September 1
of the year for which payment is sought; applica-
tions received after that date may not be pro-
cessed. If the funds available for a fiscal year are
insufficient to fully fund all eligible grants pur-
suant to Section 42263 of the Education Code,
the Superintendent shall at that time provide all
approved claims with a prorated share of the funds
made available for those grants pursuant to this
item.
2. The funds appropriated in this item reflect a reduction
to the base funding of 0.52 percent for a statewide
decline in average daily attendance.
3. Of the funds appropriated in this item, \$0 is for the
purpose of providing a cost-of-living adjustment.

SEC. 84. Item 6110-228-0001 of Section 2.00 of the Budget
Act of 2008 is amended to read:

6110-228-0001—For local assistance, Department of Education
(Proposition 98), Program 20.60.020.011-School Safety
Block Grant, for transfer by the Controller to Section A of
the State School Fund for allocation by the Superintendent
of Public Instruction..... 61,310,000

Provisions:

1. The funds appropriated are available to fund block grants for middle and junior high schools and high schools that serve grades 8 to 12, inclusive, pursuant to Article 3.6 (commencing with Section 32228) and Article 3.8 (commencing with Section 32239.5) of Chapter 2 of Part 19 of Division 1 of Title 1 of the Education Code. An additional \$38,720,000 in expenditures for this purpose has been deferred to the 2009–10 fiscal year. Of the amount deferred, \$1,000,000 shall be made available for county offices of education pursuant to Article 3.6 (commencing with Section 32228) of Chapter 2 of Part 19 of Division 1 of Title 1 of the Education Code.
2. Of the funds appropriated in this item, \$0 is for the purpose of providing a cost-of-living adjustment.
3. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
4. The funds appropriated in this item shall be considered offsetting revenues within the meaning of subdivision (e) of Section 17556 of the Government Code for any reimbursable mandated cost claim for comprehensive school safety plans. Local educational agencies accepting funding from this item shall reduce their estimated and actual mandate reimbursement claims by the amount of funding provided to them from this item.

~~SEC. 85. Item 6110-232-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:~~

~~6110-232-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 10.26, Program to Reduce Class Size in Two Courses in Grade 9 pursuant to Chapter 6.8 (commencing with Section 52080) of Part 28 of Division 4 of Title 2 of the Education Code..... 96,130,000~~

Provisions:

1. ~~Schools participating in this program shall receive a per-pupil rate of \$199 pursuant to Section 52086 of the Education Code.~~

-

SEC. 86. ~~Item 6110-234-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:~~

~~6110-234-0001—For local assistance, Department of Education (Proposition 98), Program 10.25, for transfer by the Controller to Section A of the State School Fund, for allocation by the Superintendent of Public Instruction for the Class Size Reduction Program pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28 of Division 4 of Title 2 of the Education Code.....~~ 1,792,153,000

Provisions:

1. ~~Schools participating in Option One shall receive a per-pupil rate of \$1,063. Schools participating in Option Two shall receive a per-pupil rate of \$546.~~

-

SEC. 85. *Item 6110-232-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:*

~~6110-232-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 10.26, Program to Reduce Class Size in Two Courses in Grade 9 pursuant to Chapter 6.8 (commencing with Section 52080) of Part 28 of Division 4 of Title 2 of the Education Code.....~~ 98,166,000
101,130,000

Provisions:

1. Schools participating in this program shall receive a per-pupil rate of ~~\$218~~ \$213 pursuant to Section 52086 of the Education Code, ~~based on a cost-of-living adjustment at a rate of 1.65 percent.~~

SEC. 86. *Item 6110-234-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:*

6110-234-0001—For local assistance, Department of Education (Proposition 98), Program 10.25, for transfer by the Controller to Section A of the State School Fund, for allocation by the Superintendent of Public Instruction for the Class Size Reduction Program pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28 of Division 4 of Title 2 of the Education Code..... ~~1,830,101,000~~
1,815,453,000

Provisions:

1. Schools participating in Option One shall receive a per-pupil rate of ~~\$1,094~~ \$1,071. Schools participating in Option Two shall receive a per-pupil rate of ~~\$546~~ \$535. ~~These rates are based on a cost-of-living adjustment at a rate of 2.12 percent.~~

SEC. 87. Item 6110-240-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-240-0001—For local assistance, Department of Education (Proposition 98)..... 3,057,000
Schedule:

- (1) 10.80.030-Instruction: International Baccalaureate Diploma Program..... 1,273,000
- (2) 20.70-Instructional Support: Assessments (Advanced Placement Fee Waiver Program)..... 1,784,000

Provisions:

1. The funds appropriated in Schedule (1) shall be for the International Baccalaureate Diploma Program authorized by Chapter 12.5 (commencing with Section 52920) of Part 28 of Division 4 of Title 2 of the Education Code.
2. The funds appropriated in Schedule (2) shall be for grants for advanced placement examination fees as authorized by Chapter 8.3 (commencing with Section 52240) of Part 28 of Division 4 of Title 2 of the Education Code.
3. Of the funds appropriated in this item, \$0 is for the purpose of providing a cost-of-living adjustment.

4. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

SEC. 88. Item 6110-243-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-243-0001—For local assistance, Department of Education (Proposition 98), for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for the unscheduled Pupil Retention Block Grant pursuant to Article 2 (commencing with Section 41505) of Chapter 3.2 of Part 24 of Division 3 of Title 2 of the Education Code..... 96,954,000

Provisions:

1. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.
2. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

SEC. 89. Item 6110-244-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-244-0001—For local assistance, Department of Education (Proposition 98), Program 20.60 for transfer by the Controller to Section A of the State School Fund, for allocation by the Superintendent of Public Instruction for the Teacher Credentialing Block Grant pursuant to Article 4 (commencing with Section 41520) of Chapter 3.2 of Part 24 of Division 3 of Title 2 of the Education Code..... 128,671,000

Provisions:

1. Of the funds appropriated in this item, \$3,329,000 is available to support the Teacher Credentialing Block Grant regional infrastructure.
2. It is the intent of the Legislature that first-year holders of preliminary teaching credentials, as defined in subdivision (b) of Section 44259 of the Education Code, be afforded first priority for funding appropriated in this item. To the extent that any funds appropri-

ated in this item remain after all first-year holders of preliminary teaching credentials have been served, those funds may be used to serve second-year holders of preliminary teaching credentials.

3. If funds are insufficient to service all second-year holders of preliminary teaching credentials, the State Department of Education shall prorate the funds to conform to the amount remaining in this item, consistent with Provision 2.

4. Of the funds appropriated in this item, \$0 is provided for a cost-of-living adjustment for a total per-participant rate of \$4,069.

5. The funds in this item shall be made available only to beginning teachers, as defined in Section 44279.1 of the Education Code, serving in their first or second year of service in California.

SEC. 90. Item 6110-245-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-245-0001—For local assistance, Department of Education (Proposition 98), Program 20.60 for transfer by the Controller to Section A of the State School Fund, for allocation by the Superintendent of Public Instruction for the Professional Development Block Grant, pursuant to Article 5 (commencing with Section 41530) of Chapter 3.2 of Part 24 of Division 3 of Title 2 of the Education Code..... 273,289,000
Provisions:

1. Of the funds appropriated in this item, \$0 is for the purpose of providing a cost-of-living adjustment.
2. The funds appropriated in this item reflect a reduction to the base of 0.52 percent for a decline in statewide average daily attendance.

SEC. 91. Item 6110-246-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-246-0001—For local assistance, Department of Education
(Proposition 98), for transfer by the Controller to Section
A of the State School Fund for allocation by the Superintendent of Public Instruction for the unscheduled Targeted Instructional Improvement Block Grant pursuant to Article 6 (commencing with Section 41540) of Chapter 3.2 of Part 24 of Division 3 of Title 2 of the Education Code..... 970,019,000

Provisions:

1. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.
2. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
3. Notwithstanding any other provision of law, an additional \$100,118,000 in expenditures for this item has been deferred until the following fiscal year.

SEC. 92. Item 6110-247-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-247-0001—For local assistance, Department of Education
(Proposition 98), for transfer by the Controller to Section
A of the State School Fund for allocation by the Superintendent of Public Instruction for the unscheduled School and Library Improvement Block Grant pursuant to Article 7 (commencing with Section 41570) of Chapter 3.2 of Part 24 of Division 3 of Title 2 of the Education Code..... 463,031,000

Provisions:

1. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.
2. The funds appropriated in this item also reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

SEC. 93. Item 6110-248-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-248-0001—For local assistance, Department of Education (Proposition 98), for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for the unscheduled School Safety Consolidated Competitive Grant pursuant to Article 3 (commencing with Section 41510) of Chapter 3.2 of Part 24 of Division 3 of Title 2 of the Education Code..... 17,956,000

Provisions:

1. Of the funds appropriated in this item, \$0 is for the purpose of providing a cost-of-living adjustment.
2. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
3. Notwithstanding any other provision of law, up to \$400,000 of the funds appropriated in this item may be used for contracts with county offices of education to provide regional training in safe school planning and crisis response and for statewide coordination of such training.
4. The funds contained in this item shall first be used to offset any state-mandated reimbursable costs that may otherwise be claimed for the state mandates reimbursable process of implementing Chapter 996 of the Statutes of 1999. Local educational agencies accepting funding from this item shall reduce their estimated and actual mandate reimbursement claims by the amount of funding provided to them from this item.

SEC. 94. Item 6110-260-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-260-0001—For local assistance, Department of Education (Proposition 98), 20.11-Instructional Support: Physical Education Teacher Incentive Grants..... 41,812,000

Provisions:

1. The funds appropriated in this item are for transfer by the Controller to the Superintendent of Public Instruction to provide incentive grants to schools serving kindergarten or any of grades 1 to 8, inclusive, to

support the hiring of more credentialed physical education teachers.

These grants shall be allocated in the amount of \$36,586 per schoolsite to the districts that were randomly selected in 2006–07 in order to hire teachers to provide instruction in physical education courses.

2. As a condition of receipt of funds, school districts identified through the process required pursuant to Section 41020 of the Education Code as not meeting the required physical education instruction minutes required in Sections 51210, 51222, and 51223 of the Education Code, shall be required to provide a plan to the county office of education that corrects the deficient physical education minutes for the following school year and, to the extent practicable, make up the deficient minutes identified.

3. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.

SEC. 95. Item 6110-265-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-265-0001—For local assistance, Department of Education (Proposition 98), Program 20.15—Arts and Music Block Grant..... 109,757,000

Provisions:

1. The funds appropriated in this item shall be for the purpose of providing block grants to school districts, charter schools, and county offices of education to support standards-aligned arts and music instruction in kindergarten and grades 1 to 12, inclusive. Local educational agencies shall use these funds to supplement, and not supplant, existing resources for arts and music.
2. (a) (1) The State Department of Education shall allocate the funding to districts, charter schools, and county offices of education on the basis of an equal amount per pupil, provided that a minimum of \$2,228 shall be allocated for schoolsites with 20 or fewer pupils and a

- 1 minimum of \$3,564 shall be allocated for
2 schoolsites with more than 20 pupils.
- 3 (2) Except as provided in subdivision (b), the
4 governing board of a district, charter school,
5 or county office of education shall distribute
6 funds received pursuant to this item to all
7 schoolsites on the basis of an equal amount
8 per pupil or the schoolsite minimums as set
9 forth in paragraph (1), whichever of the two
10 amounts is greatest.
- 11 (b) If the governing board elects not to allocate funds
12 to schoolsites in the amounts specified pursuant
13 to paragraph (2) of subdivision (a), the governing
14 board shall do both of the following:
- 15 (1) Adopt a resolution to that effect at a public
16 meeting. The resolution shall specify how
17 the funds are to be allocated among school-
18 sites and for districtwide purposes and the
19 reasons for those allocations.
- 20 (2) Prior to the public meeting, inform schoolsite
21 councils, schoolwide advisory groups, or
22 school support groups, as applicable, of the
23 content of the proposed resolution and of the
24 time and location where the resolution is
25 proposed to be adopted.
- 26 (c) By February 2, 2009, as a condition of receipt of
27 funds, the governing board of each school district
28 shall provide a summary report to the State De-
29 partment of Education of how these funds were
30 expended or are proposed to be expended, the
31 number of pupils, and the grade levels served.
32 The department shall collect and compile this
33 data and report that information to the Legislature
34 and the Governor.
- 35 (d) For purposes of this provision, “school district”
36 means a school district, county office of educa-
37 tion, state special school, or direct-funded charter
38 school, as described in paragraph (1) of subdivi-
39 sion (a) of Section 47651 of the Education Code.

3. The funds appropriated in this item may be used for hiring of additional staff and for ongoing support of staff hired under the grant program, purchase of new or used materials, books, supplies, and equipment, and implementing or increasing staff development opportunities, as necessary to support standards-aligned arts and music instruction.
4. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.

SEC. 96. Item 6110-267-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-267-0001—For local assistance, Department of Education (Proposition 98), Program 20-Instructional Support for Certificated Staff Mentoring Program..... 11,707,000

Provisions:

1. The funds appropriated in this item shall be allocated by the Superintendent of Public Instruction to school districts for the purpose of encouraging excellent, experienced teachers to teach in staff priority schools and to assist teacher interns during their induction and first years of teaching, pursuant to Article 6 (commencing with Section 44560) of Chapter 3 of Part 25 of Division 3 of Title 2 of the Education Code.
2. Of the funds appropriated in this item, \$0 is provided for a cost-of-living adjustment for a total per-participant rate of \$6,273.

SEC. 97. Item 6110-488 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-488—Reappropriation (Proposition 98), Department of Education. Notwithstanding any other provision of law, the unobligated balances from the following items are available for reappropriation for the purposes specified in Provisions 1, 2, and 3:

0001—General Fund

- (1) \$12,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated

- 1 for preschool education and child care programs in
2 Schedules (1) and (1.5) of Item 6110-196-0001 of the
3 Budget Act of 2003 (Ch. 157, Stats. 2003), as carried
4 forward per Provision 1 of Item 6110-196-0001 of the
5 Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- 6 (2) \$1,441,000 or whatever greater or lesser amount re-
7 flects the unexpended balance of the amount appropri-
8 ated for preschool education and child care programs
9 in Schedules (1) and (1.5) of Item 6110-196-0001 of
10 the Budget Act of 2004 (Ch. 208, Stats. 2004), as
11 carried forward per Provision 1 of Item 6110-196-0001
12 of the Budget Act of 2006 (Chs. 47 and 48, Stats.
13 2006).
- 14 (3) \$3,663,000 or whatever greater or lesser amount re-
15 flects the unexpended balance of the amount appropri-
16 ated for preschool education and child care programs
17 in Schedules (1) and (1.5) of Item 6110-196-0001 of
18 the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005),
19 \$1,749,000 of which was carried forward per Provision
20 1 of Item 6110-196-0001 of the Budget Act of 2007
21 (Chs. 171 and 172, Stats. 2007).
- 22 (4) \$12,921,000 or whatever greater or lesser amount re-
23 flects the unexpended balance of the amount appropri-
24 ated for CalWORKs Stage 2 and Stage 3 child care in
25 Schedules (1.5)(e) and (1.5)(f) of Item 6110-196-0001
26 of the Budget Act of 2006 (Chs. 47 and 48, Stats.
27 2006).
- 28 (6) \$18,120,000 or whatever greater or lesser amount re-
29 flects the unexpended balance of the amount appropri-
30 ated for preschool education and child care programs
31 in Schedules (1) and (1.5) of Item 6110-196-0001 of
32 the Budget Act of 2007 (Chs. 171 and 172, Stats.
33 2007), with the exception of Schedules (1.5)(e) and
34 (1.5)(f) for CalWORKs child care programs.
- 35 (7) \$8,000,000 of the amount appropriated to the Child
36 Care Facilities Revolving Fund established pursuant
37 to Section 8278.3 of the Education Code from Section
38 2.00 of the Budget Act of 2007 (Chs. 171 and 172,
39 Stats. 2007).

- 1 (8) \$5,000,000 or whatever greater or lesser amount re-
2 flects the unexpended balance of the amount appropri-
3 ated for the provision of wraparound care to children
4 enrolled in preschool programs pursuant to Section
5 8238.6 of the Education Code (Ch. 211, Stats. 2006).
- 6 (9) \$48,000 or whatever greater or lesser amount reflects
7 the unexpended funds from subdivision (a) of Section
8 9 of Chapter 734 of the Statutes of 1999.
- 9 (10) \$21,000 or whatever greater or lesser amount reflects
10 the unexpended balance of the amount appropriated
11 for Community-Based English Tutoring pursuant to
12 Section 315 of the Education Code, as enacted by
13 Proposition 227 in 1998.
- 14 (11) \$9,200,000 or whatever greater or lesser amount re-
15 flects the unexpended balance of the amount appropri-
16 ated for juvenile education in Item 5225-011-0001 of
17 the Budget Act of 2007 (Chs. 171 and 172, Stats.
18 2007).
- 19 (12) \$76,000 or whatever greater or lesser amount reflects
20 the unexpended balance of the amount appropriated
21 for Small School District Bus Replacement in
22 Schedule (2) of Item 6110-111-0001 of the Budget
23 Act of 2005 (Chs. 38 and 39, Stats. 2005).
- 24 (13) \$488,000 or whatever greater or lesser amount reflects
25 the unexpended balance of the amount appropriated
26 for Home to School Transportation in Schedule (1)
27 of Item 6110-111-0001 of the Budget Act of 2006
28 (Chs. 47 and 48, Stats. 2006).
- 29 (14) \$545,000 or whatever greater or lesser amount reflects
30 the unexpended balance of the amount appropriated
31 for the California High School Exit Examination in
32 Schedule (4) of Item 6110-113-0001 of the Budget
33 Act of 2006 (Chs. 47 and 48, Stats. 2006).
- 34 (15) \$2,060,000 or whatever greater or lesser amount re-
35 flects the unexpended balance of the amount appropri-
36 ated for Assessment Review and Reporting and the
37 STAR Program in Schedules (1) and (2) of Item 6110-
38 113-0001 of the Budget Act of 2007 (Chs. 171 and
39 172, Stats. 2007).

- 1 (16) \$19,000 or whatever greater or lesser amount reflects
2 the unexpended balance of the amount appropriated
3 for transfer to the State School Fund for specialized
4 secondary programs in Item 6110-122-0001 of the
5 Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- 6 (17) \$17,000 or whatever greater or lesser amount reflects
7 the unexpended balance of the amount appropriated
8 for the Immediate Intervention/Underperforming
9 Schools Program Corrective Actions in Schedule (3)
10 of Item 6110-123-0001 of the Budget Act of 2005
11 (Chs. 38 and 39, Stats. 2005).
- 12 (18) \$2,993,000 or whatever greater or lesser amount re-
13 flects the unexpended balance of the amount appropri-
14 ated for the implementation of the Public Schools
15 Accountability Act of 1999 for the Immediate Inter-
16 vention/Underperforming Schools Program Corrective
17 Actions in Schedule (2) of Item 6110-123-0001 of the
18 Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- 19 (19) \$615,000 or whatever greater or lesser amount reflects
20 the unexpended balance of the amount appropriated
21 for the implementation of the Public Schools Account-
22 ability Act of 1999 for the Immediate Intervention/Un-
23 derperforming Schools Program Corrective Actions
24 in Schedule (2) of Item 6110-123-0001 of the Budget
25 Act of 2007 (Chs. 171 and 172, Stats. 2007).
- 26 (20) \$5,149,000 or whatever greater or lesser amount re-
27 flects the unexpended balance of the amount appropri-
28 ated for the English Language Learners Program in
29 Schedule (2) of Item 6110-125-0001 of the Budget
30 Act of 2006 (Chs. 47 and 48, Stats. 2006).
- 31 (21) \$5,149,000 or whatever greater or lesser amount re-
32 flects the unexpended balance of the amount appropri-
33 ated for the English Language Acquisition Program
34 in Schedule (2) of Item 6110-125-0001 of the Budget
35 Act of 2007 (Chs. 171 and 172, Stats. 2007).
- 36 (22) \$109,000 or whatever greater or lesser amount reflects
37 the unexpended balance of the amount appropriated
38 for transfer to the State School Fund for Economic
39 Impact Aid in Schedule (1) of Item 6110-128-0001

- 1 of the Budget Act of 2005 (Chs. 38 and 39, Stats.
2 2005).
- 3 (23) \$4,000 or whatever greater or lesser amount reflects
4 the unexpended balance of the amount appropriated
5 for transfer to the State School Fund for Economic
6 Impact Aid in Item 6110-128-0001 of the Budget Act
7 of 2006 (Chs. 47 and 48, Stats. 2006).
- 8 (24) \$1,500,000 or whatever greater or lesser amount re-
9 flects the unexpended balance of the amount appropri-
10 ated for the Administrator Training Program in Item
11 6110-144-0001 of the Budget Act of 2007 (Chs. 171
12 and 172, Stats. 2007).
- 13 (25) \$7,000 or whatever greater or lesser amount reflects
14 the unexpended balance of the amount appropriated
15 for the American Indian Early Childhood Education
16 Program in Item 6110-150-0001 of the Budget Act
17 of 2006 (Chs. 47 and 48, Stats. 2006).
- 18 (26) \$110,000 or whatever greater or lesser amount reflects
19 the unexpended balance of the amount appropriated
20 for American Indian Education Centers in Schedule
21 (1) of Item 6110-151-0001 of the Budget Act of 2005
22 (Chs. 38 and 39, Stats. 2005).
- 23 (27) \$177,000 or whatever greater or lesser amount reflects
24 the unexpended balance of the amount appropriated
25 for American Indian Education Centers in Item 6110-
26 151-0001 of the Budget Act of 2006 (Chs. 47 and 48,
27 Stats. 2006).
- 28 (28) \$1,385,000 or whatever greater or lesser amount re-
29 flects the unexpended balance of the amount appropri-
30 ated for adults in correctional facilities in Item 6110-
31 158-0001 of the Budget Act of 2006 (Chs. 47 and 48,
32 Stats. 2006).
- 33 (29) \$107,000 or whatever greater or lesser amount reflects
34 the unexpended balance of the amount appropriated
35 for special education instruction in Schedule (1) of
36 Item 6110-161-0001 of the Budget Act of 2005 (Chs.
37 38 and 39, Stats. 2005).
- 38 (30) \$21,919,000 or whatever greater or lesser amount re-
39 flects the unexpended balance of the amount appropri-
40 ated for special education instruction in Schedule (1)

- 1 of Item 6110-161-0001 of the Budget Act of 2006
2 (Chs. 47 and 48, Stats. 2006).
- 3 (31) \$57,000 or whatever greater or lesser amount reflects
4 the unexpended balance of the amount appropriated
5 for vocational education for partnership academies in
6 Item 6110-166-0001 of the Budget Act of 2006 (Chs.
7 47 and 48, Stats. 2006).
- 8 (32) \$23,000 or whatever greater or lesser amount reflects
9 the unexpended balance of the amount appropriated
10 for the Agricultural Vocational Education Incentive
11 Program in Item 6110-167-0001 of the Budget Act
12 of 2005 (Chs. 38 and 39, Stats. 2005).
- 13 (33) \$369,000 or whatever greater or lesser amount reflects
14 the unexpended balance of the amount appropriated
15 for educational technology programs in Item 6110-
16 181-0001 of the Budget Act of 2005 (Chs. 38 and 39,
17 Stats. 2005).
- 18 (34) \$369,000 or whatever greater or lesser amount reflects
19 the unexpended balance of the amount transferred to
20 the State School Fund for educational technology
21 programs in Item 6110-181-0001 of the Budget Act
22 of 2006 (Chs. 47 and 48, Stats. 2006).
- 23 (35) \$27,000 or whatever greater or lesser amount reflects
24 the unexpended balance of the amount appropriated
25 for staff development for teacher peer review in
26 Schedule (2) of Item 6110-193-0001 of the Budget
27 Act of 2005 (Chs. 38 and 39, Stats. 2005).
- 28 (36) \$95,000 or whatever greater or lesser amount reflects
29 the unexpended balance of the amount appropriated
30 for the Bilingual Teacher Training Assistance Program
31 and teacher peer review in Schedules (1) and (2) of
32 Item 6110-193-0001 of the Budget Act of 2006 (Chs.
33 47 and 48, Stats. 2006).
- 34 (37) \$43,000 or whatever greater or lesser amount reflects
35 the unexpended balance of the amount appropriated
36 for transfer to the State School Fund for teacher dis-
37 missal apportionments in Item 6110-209-0001 of the
38 Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- 39 (38) \$13,000 or whatever greater or lesser amount reflects
40 the unexpended balance of the amount appropriated

for School Community Policing Partnership Competitive Grants Program in Schedule (5) of Item 6110-228-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).

(39) \$21,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the International Baccalaureate Diploma Program in Schedule (1) of Item 6110-240-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).

(40) \$6,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Teacher Credentialing Block Grant Program in Item 6110-244-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).

(41) \$79,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the School and Library Improvement Block Grant Program in Item 6110-247-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).

(42) \$186,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the School and Library Improvement Block Grant Program in Item 6110-247-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).

(43) \$30,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Physical Education Teacher Incentive Grant Program in Item 6110-260-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).

(44) \$641,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated to county offices of education for site visits for Williams audits in Item 6110-266-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).

(45) \$101,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Charter School Facility Grant Program in Schedule (7) of Item 6110-485 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).

- 1 (46) \$600,000 or whatever greater or lesser amount reflects
2 the unexpended balance of the amount appropriated
3 for the Principal Training Program in Schedule (8) of
4 Item 6110-485 of the Budget Act of 2006 (Chs. 47
5 and 48, Stats. 2006).
- 6 (47) \$25,645,000 or whatever greater or lesser amount re-
7 flects the unexpended balance for the After School
8 Education and Safety Program in Item 6110-649-0001
9 from the 2004–05 fiscal year appropriation pursuant
10 to Section 8483.5 of the Education Code, as enacted
11 by Proposition 49 in 2002.
- 12 (48) \$178,352,000 or whatever greater or lesser amount
13 reflects the unexpended balance for the After School
14 Education and Safety Program in Item 6110-649-0001
15 from the 2007–08 fiscal year appropriation pursuant
16 to Section 8483.5 of the Education Code, as enacted
17 by Proposition 49 in 2002, and pursuant to Section
18 8483.51 of the Education Code as enacted by Chapter
19 2 of the Statutes of 2008, Third Extraordinary Session.
- 20 (49) \$20,000,000 or whatever greater or lesser amount re-
21 flects the unexpended balance of the amount appropri-
22 ated for special education instruction in Schedule (1)
23 of Item 6110-161-0001 of the Budget Act of 2007
24 (Chs. 171 and 172, Stats. 2007).
- 25 (50) \$520,000 or whatever greater or lesser amount reflects
26 the unexpended balance for the After School Educa-
27 tion and Safety Program in Item 6110-649-0001 from
28 the 2006–07 fiscal year appropriation pursuant to
29 Section 8483.5 of the Education Code, as enacted by
30 Proposition 49 in 2002, and pursuant to Section
31 8483.51 of the Education Code, as enacted by Chapter
32 2 of the Statutes of 2008, Third Extraordinary Session.
- 33 Provisions:
- 34 2. The sum of \$295,000 is hereby reappropriated to the
35 State Department of Education for transfer by the
36 Controller to Section A of the State School Fund for
37 allocation by the Superintendent of Public Instruction,
38 on a one-time basis, to the County Office Fiscal Crisis
39 and Management Assistance Team (FCMAT) to con-
40 duct comprehensive assessments pursuant to Section

41327.1 of the Education Code. Of the amount appropriated in this paragraph, FCMAT shall use \$60,000 for the assessment of the Oakland Unified School District, \$125,000 for an assessment of the Vallejo City Unified School District, and \$110,000 for an assessment of the West Fresno Elementary School District. FCMAT shall provide a copy of the written report to the appropriate fiscal and policy committees of the Legislature, the Members of the Legislature representing those school districts, any advisory councils of those school districts, the Superintendent of Public Instruction, the county superintendents of schools with jurisdiction over those school districts, the Department of Finance, and the Office of the Secretary for Education. The amount reappropriated pursuant to this section is for use in the 2008–09 fiscal year.

3. The sum of \$163,051,000 is hereby reappropriated to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for the purpose of funding CalWORKs Stage 2 child care. The amount reappropriated pursuant to this provision is for use in the 2008–09 fiscal year.

4. The sum of \$164,686,000 is hereby reappropriated to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for the purpose of funding CalWORKs Stage 3 child care. The amount reappropriated pursuant to this provision is for use in the 2008–09 fiscal year.

~~SEC. 98. Item 6440-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:~~

6440-001-0001—For support of University of California..... 3,000,920,000

Schedule:

(1) Support.....	3,123,516,000
(2) Charles R. Drew Medical Program.....	8,738,000
(3) Acquired Immune Deficiency Syndrome (AIDS) Research.....	9,214,000

1	(4) Student Financial Aid.....	52,199,000
2	(5) Loan Repayments.....	5,105,000
3	(6) San Diego Supercomputer Center.....	3,240,000
4	(8) Unallocated Reduction.....	-201,092,000

Provisions:

1. The appropriations made in this item are exempt from Section 31.00.

2. None of the funds appropriated in this item may be expended to initiate major capital outlay projects by contract without prior legislative approval, except for cogeneration and energy conservation projects. Funds appropriated in this item may be used for capital expenditures as well as payment of debt service for such exempted capital projects. Exempted projects shall be reported in a manner consistent with the reporting procedures in subdivision (e) of Section 28.00.

Funds appropriated in this item may be used for capital expenditures as well as payment of debt service associated with the Energy Partnership Program, whereby the University of California will receive financial incentives from state investor-owned utilities to undertake energy conservation projects. The use of state operations funding for these energy savings projects may not infringe on the university's funding for its instructional support activities. The Director of Finance may authorize program expenditures for the list of planned projects not sooner than 30 days after notification in writing is provided to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and the appropriate subcommittees in each house of the Legislature that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee. The list of planned projects submitted for approval for a given funding cycle should be all-inclusive and may include projects that eventually may not be initiated during that funding cycle. A project not included on the list of planned projects for that funding cycle, but with which the university wishes to proceed during the budget year, may be treated as an exempted

project as described above and reported in a manner consistent with the reporting procedures in subdivision (e) of Section 28.00. No later than November 15 of each year, the university shall prepare a report describing the identified projects funded under the Energy Partnership Program in the prior year. The report shall include the cost of each project, how the cost is being funded, including the amount funded from support budget funds and investor-owned utility incentive awards, and the projected amount of energy savings. These reports will sunset at the end of the program.

3. The funds appropriated in Schedule (2) are for support of University of California programs of clinical health sciences education, research, and public service, conducted in conjunction with the Charles R. Drew University of Medicine and Science, as provided for in Sections 1, 2, and 3 of Chapter 1140 of the Statutes of 1973. Of the funds appropriated, \$500,000 is contingent upon the provision by the University of California of an equal amount of matching funds from its own resources. The University of California shall ensure by adequate controls that funds appropriated in Schedule (2) are expended solely for the support of the program identified in that schedule.

4. The funds appropriated in Schedule (4) are for support of Program 45, Student Financial Aid, to provide financial aid to needy students attending the University of California, according to the nationally accepted needs analysis methodology.

5. Of the funds appropriated in Schedule (1), \$2,762,129 is for payment of energy service contracts in connection with the issuance of State Public Works Board Energy Efficiency Revenue Bonds.

6. Of the funds appropriated in Schedule (5), \$2,700,000 is for repayment of \$25,000,000 borrowed by the University of California for deferred maintenance in the 1994-95 fiscal year. It is the intent of the Legislature to annually provide funds for that repayment purpose through the 2009-10 fiscal year.

- 1 7. Of the funds appropriated in Schedule (5), \$2,405,000
- 2 is for repayment of \$25,000,000 borrowed by the
- 3 University of California for deferred maintenance in
- 4 the 1995–96 fiscal year. It is the intent of the Legisla-
- 5 ture to annually provide funds for that repayment
- 6 purpose through the 2010–11 fiscal year.
- 7 8. Of the funds appropriated in Schedule (1), \$1,897,200
- 8 is for the California State Summer School for Mathe-
- 9 matics and Science (COSMOS). The University of
- 10 California shall report on the outcomes and effective-
- 11 ness of COSMOS every five years, commencing April
- 12 1, 2011.
- 13 9. The University of California (UC) shall report to the
- 14 Legislature and the Governor by February 1 of each
- 15 year on its progress toward increasing the quality and
- 16 supply of science and mathematics teachers resulting
- 17 from implementation of the Science and Math Teacher
- 18 Initiative. This report shall include the following infor-
- 19 mation: (a) annual number of mathematics and science
- 20 teachers awarded credentials (by each UC campus)
- 21 beginning with the 2004–05 academic year (before
- 22 the state first provided funding for the initiative), (b)
- 23 an expenditure plan on the use of the funds appropri-
- 24 ated in this item, (c) the effectiveness of the initiative's
- 25 different components and activities, including an
- 26 identification of best practices, and (d) the job place-
- 27 ment of students who earn a mathematics or science
- 28 teaching credential, including the location of the K–12
- 29 school of employment and whether it is in an urban,
- 30 rural, or suburban setting.
- 31 10. The University of California shall report to the Legis-
- 32 lature by March 15, 2009, on whether it has met its
- 33 2008–09 academic year enrollment goal.
- 34 11. Of the funds appropriated in Schedule (1), \$1,050,000
- 35 is to support 70 full-time equivalent students in the
- 36 Program in Medical Education (PRIME) at the Irvine,
- 37 Davis, San Diego, and San Francisco campuses. The
- 38 primary purpose of this program is to train physicians
- 39 specifically to serve in underrepresented communities.
- 40 The University of California shall report to the Legis-

lature by March 15, 2009, on (a) its progress in implementing the PRIME program and (b) the use of the total funds provided for this program from both state and nonstate resources.

12. The university shall report to the Legislature and the Governor by May 1, 2009, on the total enrollment in the 2007–08 and 2008–09 academic years in the entry-level clinical and master’s degree nursing programs and the master’s of science nursing degree programs.

13. It is the intent of the Legislature that the University of California submit an annual report by March 1 of each year through the 2010–11 fiscal year to the Joint Legislative Budget Committee, legislative fiscal subcommittees, and the Department of Finance on the university’s progress in reforming its compensation policies and practices, reflecting the criteria specified in Provision 27 of Item 6440-001-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).

14. Of the funds appropriated in Schedule (1), \$19,300,000 is for student academic preparation and education programs (SAPEP) and is to be matched with \$12,000,000 from existing university resources, for a total of \$31,300,000 for these programs. The University of California shall provide a plan to the Department of Finance and the fiscal committees of each house of the Legislature for expenditure of both state and university funds for SAPEP by September 1 of each year. It is the intent of the Legislature that the university report on the use of state and university funds provided for these programs, including detailed information on the outcomes and effectiveness of academic preparation programs consistent with the accountability framework developed by the university in April 2005. The report shall be submitted to the fiscal committees of each house of the Legislature no later than April 1, 2009.

15. The amount appropriated in Schedule (1) reflects a reduction of \$32,300,000 to institutional support.

16. Of the amount appropriated in Schedule (1), \$15,000,000 shall be redirected from funds budgeted

for compensation of administrators of the University of California, including administrators at the campuses and in the Office of the President, to support salary increases and a step pay system for low wage service employees.

17. Of the funds appropriated in Schedule (1), \$693,000 is for the Welfare Policy Research Project, pursuant to Article 9.7 (commencing with Section 11526) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code.

18. Of the funds appropriated in Schedule (1), \$427,500 shall be expended for the Center for Earthquake Engineering Research, contingent upon the center continuing to receive federal matching funds from the National Science Foundation.

19. Of the funds appropriated in Schedule (1), \$346,500 shall be expended for viticulture and enology research, contingent upon the receipt of an equal amount of private sector matching funds.

20. Of the funds appropriated in Schedule (1), \$16,200,000 is for substance abuse research at the Department of Neurology at the University of California, San Francisco.

21. Of the funds appropriated in Schedule (1), \$693,000 shall be used for lupus research at the University of California, San Francisco.

22. Of the funds appropriated in Schedule (1), \$1,385,100 shall be used to expand spinal cord injury research.

23. Of the funds appropriated in Schedule (1), \$3,463,000 is to fund the Medical Investigation of Neurodevelopment Disorders (MIND) Institute, including \$3,150,000 for a research grants program.

24. Of the funds appropriated in Schedule (1), \$5,400,000 is to support research on labor and employment and labor education throughout the University of California system. Of these funds, 60 percent shall be for labor research and 40 percent shall be for labor education.

25. The amount appropriated in this item reflects a \$5,000,000 one-time reduction to the Subject Matter Projects. An identical amount is appropriated in Item

6110-195-0890 from federal Title II carryover funds
to ensure the projects can be maintained in the
2008-09 fiscal year.

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SEC. 99. Item 6440-301-0660 is added to Section 2.00 of the
Budget Act of 2008, to read:

6440-301-0660—For capital outlay, University of California,
payable from the Public Buildings Construction Fund..... 151,937,000

Schedule:

Davis Campus:

(1) 99.03.350-Veterinary——Medicine

3B—Construction..... 64,737,000

Los Angeles Campus:

(2) 99.04.285-Hershey Hall Seismic Renovation—Working drawings and construction.....

23,100,000

Riverside Campus:

(3) 99.05.200-Environmental Health and Safety Expansion—Working drawings and construction.....

16,619,000

San Diego Campus:

(4) 99.06.390-Management School Facility Phase 2—Working drawings and construction.....

26,075,000

Santa Barbara Campus:

(5) 99.08.135-Arts Building Seismic Corrections and Renewal—Construction.....

21,406,000

Provisions:

1. The State Public Works Board may issue lease-revenue bonds, notes, or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the design and construction of the projects authorized by this item.

2. The University of California is directed to execute and deliver any and all leases, contracts, agreements, or other documents necessary or advisable to consummate the sale of bonds or otherwise effectuate the financing of the scheduled projects.

3. ~~The State Public Works Board shall not be deemed to be the lead or responsible agency for the purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any activities under the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800) of Division 3 of Title 2 of the Government Code). This provision does not exempt the University of California from the requirements of the California Environmental Quality Act. This provision is declaratory of existing law.~~

4. ~~Notwithstanding Section 1.80 or any other provision of law, the appropriation made in this item is available for encumbrance until June 30, 2012.~~

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SEC. 97.5. Item 6120-011-6029 of Section 2.00 of the Budget Act of 2008 is amended to read:

6120-011-6029—For support of California State Library, Program 10-State Library Services-Administration of the California Cultural and Historical Endowment, authorized by Chapter 157 of the Statutes of 2003, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund.....	900,000
	1,000,000

Provisions:

1. The expenditure of funds from this item shall not exceed the amount authorized for administration from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Proposition 40).

SEC. 98. Item 6440-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6440-001-0001—For support of University of California.....	3,000,920,000
Schedule:	
(1) Support.....	3,123,516,000
(2) Charles R. Drew Medical Program.....	8,738,000

(3) Acquired Immune Deficiency Syndrome	
(AIDS) Research.....	9,214,000
(4) Student Financial Aid.....	52,199,000
(5) Loan Repayments.....	5,105,000
(6) San Diego Supercomputer Center.....	3,240,000
(8) Unallocated Reduction.....	-201,092,000

Provisions:

1. The appropriations made in this item are exempt from Section 31.00.
2. None of the funds appropriated in this item may be expended to initiate major capital outlay projects by contract without prior legislative approval, except for cogeneration and energy conservation projects. Funds appropriated in this item may be used for capital expenditures as well as payment of debt service for such exempted capital projects. Exempted projects shall be reported in a manner consistent with the reporting procedures in subdivision (e) of Section 28.00.

Funds appropriated in this item may be used for capital expenditures as well as payment of debt service associated with the Energy Partnership Program, whereby the University of California will receive financial incentives from state investor-owned utilities to undertake energy conservation projects. The use of state operations funding for these energy savings projects may not infringe on the university's funding for its instructional support activities. The Director of Finance may authorize ~~Program~~ *program* expenditures for the list of planned projects not sooner than 30 days after notification in writing is provided to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and the appropriate subcommittees in each house of the Legislature that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee. The list of planned projects submitted for approval for a given funding cycle should be all-inclusive and may include projects that eventually may not be initiated during that funding cycle. A project not included on the list of planned projects for that funding

cycle, but *with* which the university wishes to proceed ~~with~~ during the budget year, may be treated as an exempted project as described above and reported in a manner consistent with the reporting procedures in subdivision (e) of Section 28.00. No later than November 15 *of* each year, the university shall prepare a report describing the identified projects funded under the Energy Partnership Program in the prior year. The report shall include the cost of each project, how the cost is being funded, including the amount funded from support budget funds and investor-owned utility incentive awards, and the projected amount of energy savings. These reports will sunset at the end of the ~~Program~~ *program*.

3. The funds appropriated in Schedule (2) are for support of University of California programs of clinical health sciences education, research, and public service, conducted in conjunction with the Charles R. Drew University of Medicine and Science, as provided for in Sections 1, 2, and 3 of Chapter 1140 of the Statutes of 1973. Of the funds appropriated, \$500,000 is contingent upon the provision by the University of California of an equal amount of matching funds from its own resources. The University of California shall ensure by adequate controls that funds appropriated in Schedule (2) are expended solely for the support of the program identified in that schedule.
4. The funds appropriated in Schedule (4) are for support of Program 45, Student Financial Aid, to provide financial aid to needy students attending the University of California, according to the nationally accepted needs analysis methodology.
5. Of the funds appropriated in Schedule (1), \$2,762,129 is for payment of energy service contracts in connection with the issuance of State Public Works Board Energy Efficiency Revenue Bonds.
6. Of the funds appropriated in Schedule (5), \$2,700,000 is for repayment of \$25,000,000 borrowed by the University of California for deferred maintenance in the 1994–95 fiscal year. It is the intent of the Legisla-

- ture to annually provide funds for that repayment purpose through the 2009–10 fiscal year.
7. Of the funds appropriated in Schedule (5), \$2,405,000 is for repayment of \$25,000,000 borrowed by the University of California for deferred maintenance in the 1995–96 fiscal year. It is the intent of the Legislature to annually provide funds for that repayment purpose through the 2010–11 fiscal year.
8. Of the funds appropriated in Schedule (1), \$1,897,200 is for the California State Summer School for ~~Math~~ *Mathematics* and Science (COSMOS). The University of California shall report on the outcomes and effectiveness of COSMOS every five years, commencing April 1, 2011.
9. The University of California (UC) shall report to the Legislature and the Governor by February 1 of each year on its progress toward increasing the quality and supply of science and mathematics teachers resulting from implementation of the Science and Math Teacher Initiative. This report shall include the following information: (a) annual number of mathematics and science teachers awarded credentials (by each UC campus) beginning with the 2004–05 academic year (before the state first provided funding for the initiative), (b) an expenditure plan on the use of the funds appropriated in this item, (c) the effectiveness of the initiative’s different components and activities, including an identification of best practices, and (d) the job placement of students who earn a mathematics or science teaching credential, including the location of the K–12 school of employment and whether it is in an urban, rural, or suburban setting.
10. The University of California shall report to the Legislature by March 15, 2009, on whether it has met its 2008–09 academic year enrollment goal.
11. Of the funds appropriated in Schedule (1), \$1,050,000 is to support 70 full-time equivalent students in the Program in Medical Education (PRIME) at the Irvine, Davis, San Diego, and San Francisco campuses. The primary purpose of this program is to train physicians

specifically to serve in underrepresented communities.
The University of California shall report to the Legislature by March 15, 2009, on (a) its progress in implementing the PRIME program and (b) the use of the total funds provided for this program from both state and nonstate resources.

12. The university shall report to the Legislature and the Governor by May 1, 2009, on the total enrollment in the 2007–08 and 2008–09 academic years in the entry-level clinical and master’s degree nursing programs and the master’s of science nursing degree programs.
13. It is the intent of the Legislature that the University of California submit an annual report by March 1 of each year through the 2010–11 fiscal year to the Joint Legislative Budget Committee, legislative fiscal subcommittees, and the Department of Finance on the university’s progress in reforming its compensation policies and practices, reflecting the criteria specified in Provision 27 of Item 6440-001-0001 of ~~Section 2.00~~ of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
14. Of the funds appropriated in Schedule (1), \$19,300,000 is for student academic preparation and education programs (SAPEP) and is to be matched with \$12,000,000 from existing university resources, for a total of \$31,300,000 for these programs. The University of California shall provide a plan to the Department of Finance and the fiscal committees of each house of the Legislature for expenditure of both state and university funds for SAPEP by September 1 of each year. It is the intent of the Legislature that the university report on the use of state and university funds provided for these programs, including detailed information on the outcomes and effectiveness of academic preparation programs consistent with the accountability framework developed by the university in April 2005. The report shall be submitted to the fiscal committees of each house of the Legislature no later than April 1, 2009.
15. The amount appropriated in Schedule (1) reflects a reduction of \$32,300,000 to institutional support.

- 1 16. Of the amount appropriated in Schedule (1),
2 \$15,000,000 shall be redirected from funds budgeted
3 for compensation of administrators of the University
4 of California, including administrators at the campuses
5 and in the Office of the President, to support salary
6 increases and a step pay system for low wage service
7 employees.
- 8 17. Of the funds appropriated in Schedule (1), \$693,000
9 is for the Welfare Policy Research Project, pursuant
10 to Article 9.7 (commencing with Section 11526) of
11 Chapter 2 of Part 3 of Division 9 of the Welfare and
12 Institutions Code.
- 13 18. Of the funds appropriated in Schedule (1), \$427,500
14 shall be expended for the Center for Earthquake Engi-
15 neering Research, contingent upon the center continu-
16 ing to receive federal matching funds from the Nation-
17 al Science Foundation.
- 18 19. Of the funds appropriated in Schedule (1), \$346,500
19 shall be expended for viticulture and enology research,
20 contingent upon the receipt of an equal amount of
21 private sector matching funds.
- 22 20. Of the funds appropriated in Schedule (1), \$16,200,000
23 is for substance abuse research at the Department of
24 Neurology at the University of California, San Fran-
25 cisco.
- 26 21. Of the funds appropriated in Schedule (1), \$693,000
27 shall be used for lupus research at the University of
28 California, San Francisco.
- 29 22. Of the funds appropriated in Schedule (1), \$1,385,100
30 shall be used to expand spinal cord injury research.
- 31 23. Of the funds appropriated in Schedule (1), \$3,463,000
32 is to fund the Medical Investigation of Neurodevelop-
33 ment Disorders (MIND) Institute, including
34 \$3,150,000 for a research grants program.
- 35 24. Of the funds appropriated in Schedule (1), \$5,400,000
36 is to support research on labor and employment and
37 labor education throughout the University of California
38 system. Of these funds, 60 percent shall be for labor
39 research and 40 percent shall be for labor education.

25. The amount appropriated in this item reflects a \$5,000,000 one-time reduction to the Subject Matter Projects. An identical amount is appropriated in Item 6110-195-0890 from federal Title II carryover funds to ensure the projects can be maintained in the 2008–09 fiscal year.

26. *To the extent funds are available in Schedule (1), and contingent upon the receipt of an equal amount of private sector matching funds, the University of California shall allocate funds for the California Institute for Quantitative Biosciences for the purpose of enhancing innovative, cost-effective technologies and therapies in health care.*

SEC. 99. Item 6440-301-0660 is added to Section 2.00 of the Budget Act of 2008, to read:

6440-301-0660—For capital outlay, University of California, payable from the Public Buildings Construction Fund..... 204,637,000

Schedule:

Berkeley Campus:

(1) 99.01.270-Biomedical and Health Sciences Building—Preliminary plans, working drawings, and construction..... 52,700,000

Davis Campus:

(2) 99.03.350-Veterinary Medicine 3B—Construction..... 64,737,000

Los Angeles Campus:

(3) 99.04.285-Hershey Hall Seismic Renovation—Working drawings and construction..... 23,100,000

Riverside Campus:

(4) 99.05.200-Environmental Health and Safety Expansion—Working drawings and construction..... 16,619,000

San Diego Campus:

(5) 99.06.390-Management School Facility Phase 2—Working drawings and construction..... 26,075,000

Santa Barbara Campus:

(6) 99.08.135-Arts Building Seismic Corrections and Renewal—Construction..... 21,406,000

Provisions:

1. The State Public Works Board may issue lease-revenue bonds, notes, or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the design and construction of the projects authorized by this item.
2. The University of California is directed to execute and deliver any and all leases, contracts, agreements, or other documents necessary or advisable to consummate the sale of bonds or otherwise effectuate the financing of the scheduled projects.
3. The State Public Works Board shall not be deemed to be the lead or responsible agency for the purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any activities under the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800) of Division 3 of Title 2 of the Government Code). This provision does not exempt the University of California from the requirements of the California Environmental Quality Act. This provision is declaratory of existing law.
4. Notwithstanding Section 1.80 or any other provision of law, the appropriation made in this item is available for encumbrance until June 30, 2012.
5. Notwithstanding any other provision of law, the State Public Works Board may not authorize interim financing for the project funded in Schedule (1) until the University of California provides the board with a complete funding plan for the full build-out and the board determines that the funds provided in this item may be used in conjunction with other funding sources in the funding plan.

SEC. 100. Item 6440-302-6041 of Section 2.00 of the Budget Act of 2008 is amended to read:

1	6440-302-6041—For capital outlay, University of California,	
2	payable from the 2004 Higher Education Capital Outlay	
3	Bond Fund.....	5,802,000
4	Schedule:	
5	Los Angeles Campus:	
6	(1) 99.04.265-Life Sciences Replacement	
7	Building—Construction.....	5,802,000
8	Provisions:	
9	1. Notwithstanding Section 13332.11 of the Government	
10	Code or any other provision of law, the University of	
11	California may proceed with any phase of any project	
12	identified in the above schedule, including preparation	
13	of preliminary plans, working drawings, construction,	
14	or equipment purchase, without the need for any fur-	
15	ther approvals.	
16	2. The University of California shall complete each pro-	
17	ject identified in the above schedule within the total	
18	funding amount specified in the schedule for that	
19	project. Notwithstanding Section 13332.11 of the	
20	Government Code or any other provision of law, the	
21	budget for any project to be funded from this item may	
22	be augmented by the University of California within	
23	the total appropriation made in this item, in an amount	
24	not to exceed 10 percent of the amount appropriated	
25	for that project. No funds appropriated in this item for	
26	equipment may be used for an augmentation under	
27	this provision, or be augmented from any other funds	
28	appropriated in this item. This condition does not	
29	limit the authority of the University of California to	
30	use nonstate funds.	
31	3. The University of California shall complete each pro-	
32	ject identified in the above schedule without any	
33	change to its scope. The scope of a project, in this re-	
34	spect, means the intended purpose of the project as	
35	determined by reference to the following elements of	
36	the budget request for that project submitted by the	
37	University of California to the Department of Finance:	
38	(a) the program elements related to project type and	
39	(b) the functional description of spaces required to	

1 deliver the academic and supporting programs as ap-
2 proved by the Legislature.

- 3 4. Notwithstanding any other provision of law, the appro-
4 priation made in this item is available for encumbrance
5 until June 30, 2010, except that funds appropriated for
6 construction only must be bid by June 30, 2009, and
7 are available for expenditure until June 30, 2010, and
8 that funds appropriated for equipment purposes are
9 available for encumbrance until June 30, 2011. For
10 the purpose of encumbrance, funds appropriated for
11 construction management and project contingencies
12 purposes, as well as any bid savings, shall be deemed
13 to be encumbered at the time a contract for that pur-
14 pose is awarded; these funds also may be used to initi-
15 ate consulting contracts necessary for management of
16 the project during the liquidation period. Any savings
17 identified at the completion of the project also may be
18 used during the liquidation period to fund the purposes
19 described in Provision 5.

- 20 5. Identified savings in a budget for a capital outlay pro-
21 ject, as appropriated in this item, remaining after
22 completion of a capital outlay project and upon reso-
23 lution of all change orders and claims, may be used
24 without further approval: (a) to augment projects
25 consistent with Provision 2, (b) to proceed further with
26 the underground storage tank correction program, (c)
27 to perform engineering evaluations on buildings that
28 have been identified as potentially in need of seismic
29 retrofitting, (d) to proceed with the design and construc-
30 tion of projects to meet requirements under the federal
31 Americans with Disabilities Act of 1990 (42 U.S.C.
32 Sec. 12101 et seq.), or (e) to fund minor capital outlay
33 projects.

- 34 6. No later than December 1 of each year, the University
35 of California shall submit a report outlining the expen-
36 ditures for each project of the funds appropriated in
37 this item to the Chairperson of the Joint Legislative
38 Budget Committee, the chairpersons of the fiscal
39 committees of each house of the Legislature, the Leg-
40 islative Analyst, and the Director of Finance. The re-

port also shall include the following elements: (a) a statement of the identified savings by project, and the purpose for which the identified savings were used, (b) a certification that each project, as proceeding or as completed, has remained within its scope and the amount funded for that project under this item, and (c) an evaluation of the outcome of the project measured against performance criteria.

SEC. 101. Item 6440-304-6048 of Section 2.00 of the Budget Act of 2008 is amended to read:

6440-304-6048—For capital outlay, University of California, payable from the 2006 University Capital Outlay Bond Fund..... 39,850,000

Schedule:

Statewide:

(.5) 99.00.100-Statewide Telemedicine Services Expansion—Equipment..... 10,000,000

San Francisco Campus:

(1) 99.02.155-Telemedicine and PRIME Urban Underserved Education Facilities—Construction and equipment..... 29,100,000

Davis Campus:

(2) 99.03.365-Telemedicine Resource Center and Rural PRIME Facility—Equipment..... 750,000

Provisions:

1. If savings are identified in funds encumbered from this general obligation bond fund for construction contracts for capital outlay projects, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, those savings may be used for the following purposes: (a) to begin working drawings for a project for which preliminary plan funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program,

(c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), or (e) to fund minor capital outlay projects.

Not later than November 1 of each year, the University of California shall prepare a report showing the identified savings, by project, and the purpose for which the identified savings were used. This report shall be submitted to the Chairperson of the Joint Legislative Budget Committee and to the chairpersons of the fiscal committees in each house of the Legislature.

2. The funds appropriated in this item shall be available for expenditure only if the University of California requires the payment of prevailing wage rates by the contractors and subcontractors on all projects in this item and on all other capital outlay projects undertaken by the University of California that are funded using nonstate funds or are otherwise not financed with the funds appropriated in this item. This requirement shall represent a moratorium on granting further exceptions to paying prevailing wage rates until June 30, 2009.

SEC. 102. Item 6610-301-0660 is added to Section 2.00 of the Budget Act of 2008, to read:

6610-301-0660—For capital outlay, California State University,	
payable from the Public Buildings Construction Fund.....	223,788,000
Schedule:	
(1) 06.50.066-Bakersfield: Art Center and	
Satellite Plant—Working drawings and	
construction.....	17,681,000
(2) 06.51.010-Maritime Academy: Physical	
Education Replacement—Preliminary	
plans, working drawings, and construc-	
tion.....	34,751,000

- (3) 06.74.008-Monterey Bay: Academic Building II—Preliminary plans, working drawings, and construction..... 40,599,000
- (4) 06.83.003-Channel Islands: Classroom and Faculty Office Renovation and Addition—Construction..... 29,686,000
- (5) 06.96.116-San Luis Obispo: Center for Science—Construction..... 101,071,000

Provisions:

- 1. The State Public Works Board may issue lease-revenue bonds, notes, or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the design and construction of the projects authorized by this item.
- 2. The California State University is directed to execute and deliver any and all leases, contracts, agreements, or other documents necessary or advisable to consummate the sale of bonds or otherwise effectuate the financing of the scheduled projects.
- 3. The State Public Works Board shall not be deemed to be the lead or responsible agency for the purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any activities under the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800) of Division 3 of Title 2 of the Government Code). This provision does not exempt the California State University from the requirements of the California Environmental Quality Act. This provision is declaratory of existing law.
- 4. Notwithstanding Section 1.80 or any other provision of law, the appropriation made in this item is available for encumbrance until June 30, 2012.

SEC. 102.5. Item 6610-491 is added to Section 2.00 of the Budget Act of 2008, to read:

6610-491—Reappropriation, California State University.
Notwithstanding any other provision of law, the balances
of the appropriations provided for in the following citations
are reappropriated for the purposes and subject to the limi-
tations, unless otherwise specified, in those appropriations:
6048—2006 University Capital Outlay Bond Fund
(1) Item 6610-301-6048, Budget Act of 2007 (Chs. 171
and 172, Stats. 2007)
Pomona Campus:
(14) 06.98.109-Pomona: College of Business Admin-
istration—Working drawings and construction

SEC. 103. Item 6870-101-0001 of Section 2.00 of the Budget
Act of 2008 is amended to read:

6870-101-0001—For local assistance, Board of Governors
of the California Community Colleges (Proposition
98)..... 3,989,230,000
Schedule:
(1) 10.10.010-Appportionments..... 3,170,717,000
(2) 10.10.020-Apprenticeship..... 14,641,000
(3) 10.10.030-Growth for Apportion-
ments..... 113,500,000
(4) 20.10.004-Student Success for Basic
Skills Students..... 33,100,000
(5) 20.10.005-Student Financial Aid Admin-
istration..... 51,269,000
(6) 20.10.020-Disabled Students..... 115,011,000
(7) 20.10.045-Special Services for Cal-
WORKs Recipients..... 43,580,000
(8) 20.10.060-Foster Care Education Pro-
gram..... 5,254,000
(9) 20.10.070-Matriculation..... 101,803,000
(10) 20.20.020-Academic Senate for the
Community Colleges..... 467,000
(11) 20.20.041-Equal Employment Opportu-
nity pursuant to Ch. 1169, Stats.
2002..... 1,747,000
(12) 20.20.050-Part-time Faculty Health In-
surance..... 1,000,000

1	(13) 20.20.051-Part-time Faculty Compensa-	
2	tion.....	50,828,000
3	(14) 20.20.055-Part-time Faculty Office	
4	Hours.....	7,172,000
5	(15) 20.30.011-Telecommunications and	
6	Technology Services.....	26,197,000
7	(16) 20.30.050-Economic Development....	46,790,000
8	(17) 20.30.070-Transfer Education and Ar-	
9	ticulation.....	1,424,000
10	(18) 20.40.026-Physical Plant and Instruc-	
11	tional Support.....	27,345,000
12	(19) 20.10.010-Extended Opportunity Pro-	
13	grams and Services and Special Ser-	
14	vices.....	122,291,000
15	(20) 20.30.045-Fund for Student Success....	6,158,000
16	(21) 20.70.010-Career Technical Educa-	
17	tion.....	20,000,000
18	(22) 20.80.010-Campus Childcare Tax	
19	Bailout.....	6,836,000
20	(23) 20.95.010-Nursing Program Support....	22,100,000
21	Provisions:	
22	1. The funds appropriated in Schedules (1), (2), (3), (4),	
23	(5), (6), (7), (8), (9), (11), (12), (13), (14), (15), (16),	
24	(18), (19), and (22) are for transfer by the Controller	
25	during the 2008–09 fiscal year to Section B of the	
26	State School Fund.	
27	2. Notwithstanding any other provision of law, apportion-	
28	ment funding for community college districts shall be	
29	based on the greater of the current year or prior year	
30	level of full-time equivalent students (FTES), consis-	
31	tent with K–12 declining enrollment practices pursuant	
32	to Section 42238.5 of the Education Code. Decreases	
33	in FTES shall result in a revenue reduction at the dis-	
34	trict’s average level of apportionment funding per	
35	FTES and shall be made in the year following the ini-	
36	tial year of decrease in FTES.	
37	3. The funds appropriated in Schedule (1) for Apportion-	
38	ments include \$31,409,000 to encourage district-level	
39	accountability efforts pursuant to Section 84754.5 of	
40	the Education Code. It is intended that the Chancellor	

1 of the California Community Colleges submit an an-
2 nual report on district-specific accountability measures
3 by March 19 of each year. This report shall reflect
4 outcomes from the most recently completed fiscal year
5 for which data is available pursuant to Section 84754.5
6 of the Education Code.

7 4. Of the funds appropriated in Schedule (1), Apportion-
8 ments:

9 (a) Up to \$100,000 is for a maintenance allowance,
10 pursuant to Section 54200 of Title 5 of the Cali-
11 fornia Code of Regulations.

12 (b) Up to \$500,000 is to reimburse colleges for the
13 costs of federal aid repayments related to assessed
14 fees for fee waiver recipients. This reimbursement
15 only applies to students who completely withdraw
16 from college before the census date pursuant to
17 Section 58508 of Title 5 of the California Code
18 of Regulations.

19 5. Notwithstanding any other provision of law, the
20 Chancellor of the California Community Colleges
21 shall not reduce district workload obligations for a
22 lack of a funded cost-of-living adjustment.

23 6. (a) Of the amount appropriated in Schedule (2) for
24 the Apprenticeship Program, up to \$14,641,000
25 shall be available as necessary upon certification
26 by the Chancellor of the California Community
27 Colleges for the purpose of funding community
28 college-related and supplemental instruction pur-
29 suant to Section 3074 of the Labor Code, as pro-
30 vided in Section 8152 of the Education Code. No
31 community college district shall use funds avail-
32 able under this provision to offer any new appren-
33 ticeship training program or the expansion of any
34 existing program unless the new program or ex-
35 pansion has been approved by the chancellor.

36 (b) Notwithstanding Section 8152 of the Education
37 Code, each 60-minute hour of teaching time de-
38 voted to each indentured apprentice enrolled in
39 and attending classes of related and supplemental
40 instruction as provided under Section 3074 of the

1 Labor Code shall be reimbursed at the rate of
2 \$5.06 per hour. For purposes of this provision,
3 each hour of teaching time may include up to 10
4 minutes for passing time and breaks.

- 5 7. Funds appropriated in Schedule (3), Growth for Ap-
6 portionments, shall be available first to any districts
7 bringing online in the current fiscal year newly accred-
8 ited colleges or California Postsecondary Education
9 Commission-approved educational centers. It is the
10 intent of the Legislature that increases in basic founda-
11 tion allocations to each college be funded prior to ad-
12 ditional growth in full-time equivalent students. The
13 Chancellor of the California Community Colleges
14 shall provide a report by November 1 of each year, to
15 the Department of Finance and the Legislative Analyst,
16 on the number of new centers and colleges added for
17 the current fiscal year and those anticipated to be added
18 for the prospective budget year. This report shall also
19 detail the specific funding adjustments provided for
20 basic foundation allocations to each college and center
21 for the current fiscal year.

- 22 8. Notwithstanding any other provision of law, funds
23 appropriated in Schedule (3) for Growth for Apportion-
24 ments shall only be allocated for growth in full-time
25 equivalent students (FTES), on a district-by-district
26 basis, as determined by the Chancellor of the Califor-
27 nia Community Colleges. The chancellor shall not in-
28 clude any FTES from concurrent enrollment in physi-
29 cal education, dance, recreation, study skills, and per-
30 sonal development courses and other courses in con-
31 flict with existing law for the purpose of calculating
32 a district's three-year overcap adjustment. The Board
33 of Governors of the California Community Colleges
34 shall implement the criteria required by subdivision
35 (a) of Provision 5 of Item 6870-101-0001 of the Bud-
36 get Act of 2003 (Ch. 157, Stats. 2003) for the alloca-
37 tion of funds appropriated in Schedules (1) and (3),
38 so as to ensure that courses related to student needs
39 for transfer, basic skills, and vocational/workforce
40 training are accorded the highest priority and are pro-

vided to the maximum extent possible within budgeted funds.

10. Of the amount appropriated in Schedule (1), \$10,000,000 shall only be available for noncredit instruction to prepare pupils to pass the California High School Exit Examination (CAHSEE). The first priority shall be to serve high school pupils from the class of 2007 who met all other graduation requirements except for passage of the CAHSEE. Remaining funds may be used to support other necessary noncredit courses for other pupils who not only did not pass the CAHSEE, but who did not complete other coursework necessary to meet high school graduation requirements. These funds are intended to supplement but not supplant existing funding for these purposes.

11. The funds appropriated in Schedule (4), Student Success for Basic Skills Students, shall be allocated as follows:

- (a) \$1,600,000 for faculty and staff development to improve curriculum, instruction, student services, and program practices in the areas of basic skills and English as a Second Language (ESL) programs. The Office of the Chancellor of the California Community Colleges shall select a district, utilizing a competitive process, to carry out these faculty and staff development activities. All colleges receiving funds pursuant to subdivision (b) shall be provided with the opportunity to participate in the faculty and staff development programs specified in this subdivision. The chancellor shall report on the use of these funds by the selected district to the Legislative Analyst and the Department of Finance not later than September 1, 2009.
- (b) \$31,500,000 for allocation by the chancellor to community college districts for improving outcomes of students who enter college needing at least one course in ESL or basic skills, with particular emphasis on students transitioning from high school.

- 1 (c) Funding specified in subdivisions (a) and (b) shall
2 be distributed to eligible applicants pursuant to
3 Chapter 489 of the Statutes of 2007.
- 4 (d) The Office of the Chancellor shall work jointly
5 with the Department of Finance and the Legisla-
6 tive Analyst to develop annual accountability
7 measures for this program. It is the intent of the
8 Legislature that annual performance accountabil-
9 ity measures for this program utilize, to the extent
10 possible, data available as part of the accountabil-
11 ity system developed pursuant to Section 84754.5
12 of the Education Code. By November 1, 2009,
13 the chancellor shall submit a report to the Gover-
14 nor and Legislature on the annual accountability
15 measures developed pursuant to this process.
- 16 12. (a) Of the funds appropriated in Schedule (5) for
17 Student Financial Aid Administration, not less
18 than \$9,864,000 is available to provide \$0.91 per
19 unit reimbursement to community college districts
20 for the provision of board of governors (BOG)
21 fee waiver awards pursuant to paragraph (2) of
22 subdivision (m) of Section 76300 of the Education
23 Code.
- 24 (b) Of the funds appropriated in Schedule (5), not
25 less than \$4,405,000 is available to provide reim-
26 bursement of 2 percent of total waiver value to
27 community college districts for the provision of
28 BOG fee waiver awards pursuant to paragraph
29 (2) of subdivision (m) of Section 76300 of the
30 Education Code.
- 31 (c) Funding provided to community college districts
32 in subdivisions (a) and (b) of Provision 15 is
33 provided to directly offset any mandated costs
34 claimed by community college districts pursuant
35 to Commission on State Mandates Test Claims
36 99-TC-13 (Enrollment Fee Collection) and 00-
37 TC-15 (Enrollment Fee Waivers).
- 38 (d) (1) Of the amount appropriated in Schedule (5),
39 \$2,800,000 shall be for a contract with a
40 community college district to conduct a

statewide media campaign to promote the general message to prospective students as follows: (A) the California Community Colleges (CCC) remain affordable, (B) financial aid and tax credits are available to cover enrollment fees and help with books and other costs, and (C) the active encouragement of contact between pupils and local CCC financial aid offices. Any funds used from this source to produce radio, television, or mail campaigns must emphasize the availability of financial aid, the easiest and most reliable method of accessing the aid, a contact telephone number, an Internet Web site address, where applicable, and the physical location of a financial aid office. Any mail campaign must give priority to existing pupils, recent high school graduates, and 12th graders. The outreach and information campaign should target its efforts in high schools, welfare offices, unemployment offices, churches, community centers, and any other location that will most effectively reach low-income and disadvantaged students who must overcome barriers in accessing postsecondary education. The community college district awarded the contract shall consult with the Chancellor of the California Community Colleges and the Student Aid Commission prior to performing any activities to ensure appropriate coordination with any other state efforts in this area and ensure compliance with this provision.

- (2) Of the amount appropriated in Schedule (5), not more than \$34,200,000 shall be for direct contact with potential and current financial aid applicants. Each CCC campus shall receive a minimum allocation of \$50,000. The remainder of the funding shall be allocated to campuses based upon a formula reflecting

1 full-time equivalent students (FTES)
2 weighted by a measure of low-income popu-
3 lations as demonstrated by BOG fee waiver
4 program participation within a district. It is
5 the intent of the Legislature, to the extent that
6 funds are provided in this item, that all cam-
7 puses provide additional staff resources to
8 increase both financial aid participation and
9 student access to low-income and disadvan-
10 taged students who must overcome barriers
11 in accessing postsecondary education. Funds
12 may be used for screening current students
13 for possible financial aid eligibility and offer-
14 ing personal assistance to these students in
15 accessing financial aid, providing individual
16 help in multiple languages for families and
17 students in filling out the necessary paper-
18 work to apply for financial aid, and increas-
19 ing financial aid staff to process additional
20 financial aid forms.

21 (3) Funds allocated to a community college dis-
22 trict for financial aid personnel, outreach de-
23 termination of financial need, and delivery
24 of student financial aid services shall supple-
25 ment, and shall not supplant, the level of
26 funds allocated for the administration of stu-
27 dent financial aid programs during the
28 2001–02 fiscal year.

29 (4) It is the intent of the Legislature that the Of-
30 fice of the Chancellor of the California
31 Community Colleges provide the Legislature
32 with a report not later than April 1, 2009, on
33 the use of the funds allocated pursuant to
34 paragraphs (1) and (2) of this subdivision (d),
35 including the distribution of the funds, specif-
36 ic uses of the funds, strategies employed to
37 reach low-income and disadvantaged students
38 potentially eligible for financial aid, and the
39 extent to which districts were successful in
40 increasing the number of students accessing

financial aid, particularly the maximum Pell Grant award.

- (5) It is the intent of the Legislature that the chancellor report by September 1, 2008, in the manner and using the factors set forth in paragraph (5) of subdivision (b) of Provision 11 of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2004 (Ch. 208, Stats. 2004), on the impact of outreach efforts on student headcount and FTES enrollment for the 2005–06 and 2006–07 academic years.

13. Of the funds appropriated in Schedule (19) for Extended Opportunity Programs and Services, \$106,786,000 is for Extended Opportunity Programs and Services (EOPS) in accordance with Article 8 (commencing with Section 69640) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code. Funds provided in this item for EOPS shall be available to students on all campuses within the California Community College system, including those students on new campuses or in new districts. In addition, \$15,505,000 is for funding, at all colleges, the Cooperative Agencies Resources for Education (CARE) program in accordance with Article 4 (commencing with Section 79150) of Chapter 9 of Part 48 of Division 7 of Title 3 of the Education Code. The Board of Governors of the California Community Colleges shall allocate funds on a priority basis to local programs on the basis of need for student services.

14. Of the funds appropriated in Schedule (19) for the Extended Opportunity Programs and Services, \$1,900,000 shall be available to support additional textbook assistance grants to community college students as an allowable expenditure consistent with paragraph (10) of subdivision (b) of Section 69648 of the Education Code.

15. The funds appropriated in Schedule (20) for the Fund for Student Success is for additional targeted student services, to be expended as follows:

- 1 (a) \$1,921,000 is for the Puente Project to support up
2 to 75 colleges. These funds are available if
3 matched by \$200,000 of private funds and the
4 participating community colleges and University
5 of California campuses maintain their 1995–96
6 fiscal year support level for the Puente Project.
7 All funding shall be allocated directly to partici-
8 pating districts in accordance with their participa-
9 tion agreement.
- 10 (b) Up to \$2,459,000 is for the Mathematics, Engi-
11 neering and Science Achievement (MESA) Pro-
12 gram. For each dollar allocated, the recipient dis-
13 trict shall provide \$1 in matching funds.
- 14 (c) No less than \$1,778,000 is for the Middle College
15 High School Program. With the exception of fully
16 compliant special part-time students at the com-
17 munity colleges pursuant to Sections 48802 and
18 76001 of the Education Code, student workload
19 based on participation in the Middle College High
20 School Program shall not be eligible for commu-
21 nity college state apportionment. Further, no
22 community college state apportionment shall be
23 made available for physical education classes,
24 noncredit classes, nor other courses specified in
25 Provision 8.
- 26 16. (a) The funds appropriated in Schedule (6) for the
27 Disabled Students Program are for assisting dis-
28 tricts in funding the excess direct instructional
29 cost of providing special support services or in-
30 struction, or both, to disabled students enrolled at
31 community colleges, and for state hospital pro-
32 grams, as mandated by federal law.
- 33 (b) Of the amount appropriated in Schedule (6), no
34 less than \$3,945,000 shall be used to address de-
35 ficiencies identified by the federal Office of Civil
36 Rights (OCR), as determined by the Office of the
37 Chancellor of the California Community Colleges.
- 38 (c) Of the amount appropriated in Schedule (6), at
39 least \$943,000 shall be used for support of the
40 High Tech Centers for activities including, but

not limited to, training of district employees, staff, and students in the use of specialized computer equipment for the disabled. All High Tech Centers shall meet standards developed by the Office of the Chancellor. Colleges that receive these augmentations shall not supplant existing resources provided to the centers.

(d) Notwithstanding any other provision of law, of the funds appropriated in Schedule (6), \$1,246,000 shall be for state hospital adult education programs at the hospitals served by the Coast and Kern Community College Districts since the 1986–87 fiscal year. If adult education services at any of the three hospitals are not supported by the community colleges in any portion of the 2008–09 fiscal year, remaining funds shall, upon order of the Department of Finance, after 30 days’ notice to the Chairperson of the Joint Legislative Budget Committee, be transferred to the State Department of Developmental Services (DDS). For any transfer of funds to DDS during the 2008–09 fiscal year, the Proposition 98 base funding levels for community colleges and DDS shall be adjusted accordingly.

(e) Of the funds appropriated in Schedule (6) for the Disabled Student Services, no less than \$9,600,000 shall be allocated to support high-cost sign language interpreter services and real-time captioning equipment or other communication accommodations for hearing-impaired students based on a 4-to-1 state-to-local district match.

17. The funds appropriated in Schedule (7), Special Services for CalWORKs Recipients, are for the purpose of assisting welfare recipient students and those in transition off of welfare to achieve long-term self-sufficiency through coordinated student services offered at community colleges, including workstudy, other educational related work experience, job placement services, child care services, and coordination with county welfare offices to determine eligibility

1 and availability of services. All services funded in
2 Schedule (7) shall be for current CalWORKs recipients
3 or prior CalWORKs recipients who are in transition
4 off of cash assistance for no more than two years.
5 Current cash-assistance recipients may utilize these
6 services until their initial educational objectives are
7 met. Former recipients in transition off of cash assis-
8 tance may utilize these services for a period of up to
9 two years after leaving cash assistance subject to the
10 conditions of this provision. These funds shall be used
11 to supplement and not supplant existing funds and
12 services provided for CalWORKs recipients attending
13 community colleges. The Chancellor of the California
14 Community Colleges shall develop an equitable
15 method for allocating funds to all districts and colleges
16 based on the relative numbers of CalWORKs recipients
17 in attendance and shall allocate funds for the following
18 purposes:

- 19 (a) Job placement.
- 20 (b) Coordination with county welfare offices and
21 other local agencies, including local workforce
22 investment boards.
- 23 (c) Curriculum development and redesign.
- 24 (d) Child care and workstudy.
- 25 (e) Instruction.
- 26 (f) Postemployment skills training and related skills.
- 27 (g) Campus-based case management, limited to on-
28 campus assistance and services not provided by
29 county case workers that do not supplant other
30 counseling and academic support services funded
31 through existing California Community Colleges
32 categorical programs.

33 Of the amount appropriated in Schedule (7),
34 \$15,000,000 is for child care and does not require a
35 district match. For the remaining funds, districts shall,
36 as a condition of receipt of these funds, provide a \$1
37 match for every \$1 provided by the state.

38 Funds utilized for subsidized child care shall be for
39 children of CalWORKs recipients through campus-
40 based centers or parental choice vouchers at rates and

1 with rules consistent with those applied to related
2 programs operated by the State Department of Educa-
3 tion in the 2008–09 fiscal year, including eligibility,
4 reimbursement rates, and parental contribution
5 schedules. Subsidized campus child care for Cal-
6 WORKs recipients may be provided during the period
7 they are engaged in qualifying state and federal work
8 activities through attainment of their initial education
9 and training plan and for up to three months thereafter
10 or until the end of the academic year, whichever period
11 of time is greater.

12 Funds utilized for workstudy shall be used solely
13 for payments to employers that currently participate
14 in campus-based workstudy programs or are providing
15 work experiences that are directly related to and in
16 furtherance of student educational programs and work
17 participation requirements, provided that those pay-
18 ments may not exceed 75 percent of the wage for the
19 workstudy positions, and the employers shall pay at
20 least 25 percent of the wage for the workstudy posi-
21 tions. These funds may be expended only if the total
22 hours of education, employment, and workstudy for
23 the student are sufficient to meet both state and federal
24 minimum requirements for qualifying work-related
25 activities.

26 Funds may be used to provide credit or noncredit
27 classes for CalWORKs students if a district has com-
28 mitted all of its funded full-time equivalent students
29 (FTES) and is unable to offer the additional instruc-
30 tional services to meet the demand for CalWORKs
31 students. This determination shall be based on fall
32 enrollment information. Districts shall submit applica-
33 tions to the Office of the Chancellor by October 15 of
34 each year. If the chancellor approves the use of funds
35 for direct instructional workload, the Office of the
36 Chancellor shall submit a report to the Department of
37 Finance and the Joint Legislative Budget Committee
38 by November 15, 2008, that (a) identifies the enroll-
39 ment of new CalWORKs students, (b) states whether
40 and why additional classes were needed to accommo-

1 date the needs of CalWORKs students, and (c) sets
2 forth an expenditure plan for the balance of funds.

3 As a condition of receipt of the funds appropriated
4 in Schedule (7), by the fourth week following the end
5 of the semester or quarter term commencing in January
6 2009, each participating community college shall
7 submit to the Office of the Chancellor a report, in the
8 format specified by the chancellor in consultation with
9 the State Department of Social Services, that includes,
10 but is not limited to, the funded components, the
11 number of hours of child care provided, the average
12 monthly enrollment of CalWORKs dependents served
13 in child care, the number of workstudy hours provided,
14 the hourly salaries and type of jobs, the number of
15 students being case managed, the short-term programs
16 available, the student participation rates, and other
17 outcome data. It is intended that, to the extent practical,
18 reporting from colleges utilize data gathered for federal
19 reporting requirements at the state and local level.
20 Further, it is intended that the Office of the Chancellor
21 compile the information for annual reports to the
22 Legislature, the Governor, the Legislative Analyst, the
23 Department of Finance, and the State Department of
24 Social Services by November 15 of each year.

25 First priority for expenditures of any funds appropri-
26 ated in Schedule (7) shall be in support of current
27 CalWORKs recipients. However, if caseloads are in-
28 sufficient to fully utilize all of the funding in this
29 schedule in a cost-beneficial way, it is intended that
30 up to \$5,000,000 of the funds subject to local matching
31 requirements may be allocated for providing postem-
32 ployment services to former CalWORKs recipients
33 who have been off of cash assistance for no longer
34 than two years to assist them in upgrading skills, job
35 retention, and advancement. Allowable services in-
36 clude direct instruction that cannot be funded under
37 available growth funding, child care to support atten-
38 dance in these classes consistent with this provision,
39 job development and placement services, and career
40 counseling and assessment activities which cannot be

1 funded through other programs. Child care services
2 may only be provided for periods commensurate with
3 a student's need for postemployment training within
4 the two-year transitional period.

5 Prior to allocation of funds for postemployment
6 services, the chancellor shall first secure the approval
7 of the Department of Finance for the allocations,
8 complete a cumulative report on the outcomes, activi-
9 ties, and cost-effectiveness of the program no later
10 than November 15, 2008, in compliance with the
11 Budget Acts of 1998 (Ch. 324, Stats. 1998) and 1999
12 (Ch. 50, Stats. 1999) and this act, and shall provide
13 the rationale and justification for the proposed alloca-
14 tion of postemployment services to districts for transi-
15 tional students.

16 If a district is unable to fully expend its share of child
17 care funds, it may request that the Office of the
18 Chancellor approve a reallocation to other CalWORKs
19 purposes authorized by this provision, subject to all
20 pertinent limitations and district match required for
21 these purposes under this provision.

22 Of the funds appropriated in Schedule (7) for the
23 Special Services for CalWORKs Recipients Program,
24 no less than \$8,000,000 is to provide direct workstudy
25 wage reimbursement for students served under this
26 program, and \$1,000,000 is available for campus job
27 development and placement services.

28 18. Funds appropriated in Schedule (7) for the Special
29 Services for CalWORKs Recipients Program have
30 been budgeted to meet the state's Temporary Assis-
31 tance for Needy Families maintenance-of-effort require-
32 ment pursuant to the federal Personal Responsibility
33 and Work Opportunity Reconciliation Act of 1996
34 (P.L. 104-193) and may not be expended in any way
35 that would cause their disqualification as a federally
36 allowable maintenance-of-effort expenditure.

37 19. (a) Funds provided in Schedule (8) for the Foster
38 Care Education Program shall be allocated to
39 provide foster and relative/kinship care education
40 and training. Districts shall ensure that education

- 1 and training required by Sections 1529.1 and
2 1529.2 of the Health and Safety Code and Section
3 16003 of the Welfare and Institutions Code re-
4 ceive priority. Districts may use any remaining
5 funds for additional parenting skills training.
- 6 (b) Funds provided in Schedule (8) shall be used for
7 foster parent and relative/kinship care provider
8 education training services consistent with the
9 following criteria:
- 10 (1) The Chancellor of the California Community
11 Colleges shall use these funds exclusively
12 for foster parent and relative/kinship care
13 provider education and training, as specified
14 by the chancellor in consultation with an ad-
15 visory committee that includes foster parents,
16 representatives of statewide foster parent or-
17 ganizations, parent and relative/kinship care
18 providers, and representatives from the State
19 Department of Social Services.
- 20 (2) Acceptance of funds under this program shall
21 constitute agreement by the district to comply
22 with such reporting requirements, guidelines,
23 and other conditions for receipt of funding
24 as the chancellor may establish.
- 25 (3) Each college plan for foster and relative/kin-
26 ship care education programs shall include
27 the provision of training to facilitate the de-
28 velopment of foster family homes, small
29 family homes, and relative/kinship homes to
30 care for no more than six children who have
31 special mental, emotional, developmental, or
32 physical needs.
- 33 (4) The State Department of Social Services shall
34 facilitate the participation of county welfare
35 departments in the foster and relative/kinship
36 care education program.
- 37 20. (a) Funds appropriated in Schedule (9) for the Matric-
38 ulation Program are for the purpose of student
39 matriculation pursuant to Article 1 (commencing

with Section 78210) of Chapter 2 of Part 48 of Division 7 of Title 3 of the Education Code.

- (b) Of the amount appropriated in Schedule (9), \$20,000,000 shall be allocated to community college districts on a one-to-one matching funds basis to provide matriculation services, including, but not limited to, orientation, assessment, and counseling, for students enrolled in designated noncredit classes and programs who may benefit most, as determined by the Chancellor of the California Community Colleges pursuant to Sections 78216 to 78218, inclusive, of the Education Code.

- 21. The funds in Schedule (13) for the Part-time Faculty Compensation Program shall be allocated solely to increase compensation for part-time faculty from the amounts previously authorized. Funds shall be distributed to districts based on the total actual full-time equivalent students served in the previous fiscal year and include a small district factor as determined by the Chancellor of the California Community Colleges. These funds are to be used to assist districts in making part-time faculty salaries more comparable to full-time salaries for similar work, as determined through each district's local collective bargaining process. These funds shall not supplant the amount of resources each district used to compensate part-time faculty or be used to exceed parity of each part-time faculty employed by each district with regular full-time faculty at the same district, as certified by the chancellor. If a district achieves parity, its allocation may be used for any other educational purpose.

- 22. (a) \$24,197,000 of the funds provided in Schedule (15) for the Telecommunications and Technology Services Program shall be for the purpose of supporting technical and application innovations and for coordination of activities that serve to maximize the utility of the technology investments of the community college system towards improving learning outcomes. Allocations shall be made

1 by the Chancellor of the California Community
2 Colleges, based on criteria and guidelines as de-
3 veloped by the chancellor, on a competitive basis
4 through the RFA/RFP application process for the
5 following purposes:

- 6 (1) Provision of access to statewide multimedia
7 hosting and delivery services for system col-
8 leges and districts.
- 9 (2) Provision of systemwide Internet, audio
10 bridging, and telephony.
- 11 (3) Technical assistance and planning, coopera-
12 tive purchase agreements, and faculty and
13 staff development in a manner consistent with
14 paragraph (3) of subdivision (b) of Provision
15 17 of Item 6870-101-0001 of Section 2.00 of
16 the Budget Act of 1996 (Ch. 162, Stats.
17 1996).
- 18 (4) Ongoing support for the California Virtual
19 University Distance Education Program.
- 20 (5) Ongoing support for programs designed to
21 use technology in assisting accreditation and
22 the alignment of curricula across K–20 seg-
23 ments in California.
- 24 (6) Support for technology pilots and ongoing
25 technology programs and applications that
26 serve to maximize the utility and economy
27 of scale of the technology investments of the
28 community college system towards improv-
29 ing learning outcomes.

30 In addition, a portion of the funds provided in
31 this subdivision shall be available for allocations
32 to districts. It is the intent of the Legislature that
33 these funds be used by colleges to maintain the
34 technology capabilities specified in subdivision
35 (a) of Provision 21 of Item 6870-101-0001 of the
36 Budget Act of 2003 (Ch. 157, Stats. 2003). These
37 funds shall not supplant existing funds used for
38 those purposes, and colleges shall match mainte-
39 nance and ongoing costs with other funds as pro-

- 1 vided by Provision 21(a) of Item 6870-101-0001
- 2 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- 3 (b) The Office of the Chancellor of the California
- 4 Community Colleges shall develop the reporting
- 5 criteria for all programs funded by this item and
- 6 shall submit that for review along with an annual
- 7 progress report on program implementation to the
- 8 Legislative Analyst, the Office of the Secretary
- 9 for Education, and the Department of Finance no
- 10 later than December 1 of each year. Reporting
- 11 shall include summaries of allocations and expen-
- 12 ditures by program and by district, where applica-
- 13 ble.
- 14 (c) Of the funds provided in Schedule (15),
- 15 \$2,000,000 is for ongoing support and expansion
- 16 of the California Partnership for Achieving Stu-
- 17 dent Success (Cal-PASS) program. As a condition
- 18 of receipt of these funds, the grantee shall submit
- 19 to the Office of the Chancellor, by October 15 of
- 20 each year, all of the following: (1) a report that
- 21 includes the numbers and percentages of institu-
- 22 tions and school districts that have signed agree-
- 23 ments and the number and percentage that have
- 24 actively submitted data in the current year, (2) the
- 25 results of an annual program evaluation, as pre-
- 26 scribed by the chancellor, that sufficiently docu-
- 27 ments the value and productivity of the program,
- 28 and (3) an annual financial audit, as prescribed
- 29 by the chancellor, that includes an accounting of
- 30 all funding sources and all uses of funds by
- 31 funding source. It is the intent of the Legislature
- 32 that all reporting requirements contained in this
- 33 subdivision shall be completed using funds pro-
- 34 vided to the grantee.
- 35 23. Of the funds provided in Schedule (16) for the Eco-
- 36 nomic and Workforce Development Program:
- 37 (a) \$22,830,000 is allocated for grants for regional
- 38 business resources assistance and innovation net-
- 39 work centers. Each grant awarded to a district for
- 40 Centers for International Development shall con-

tain sufficient funds, as determined by the Chancellor of the California Community Colleges, for the continued operation of Mexican International Trade Centers.

- (b) \$7,822,000 is allocated for industry-driven regional education and training collaboratives. These grants shall be made on a competitive basis and the award amounts shall not be restricted to any predetermined limit, but rather shall be funded on their individual merits.
- (c) \$3,609,000 is allocated for statewide network leadership, organizational development, coordination, information and support services, or other program purposes.
- (d) \$4,529,000 is available for Job Development Incentive Training programs focused on job creation for public assistance recipients. Any annual savings from this subdivision shall only be available for expenditure for one-time activities listed under subdivision (j) of Section 88531 of the Education Code.
- (e) \$8,000,000 is allocated for the establishment of a Responsive Incumbent Worker Training Fund, which will serve to expand the delivery of performance improvement training to employers and incumbent workers in high-growth industries. Funds shall also be used to develop programs that integrate basic skills and career technical education curriculum in ways that provide students with seamless educational coursework that transitions students into high-tech and high-demand job sectors.
- (f) The following provisions apply to the expenditure of funds within subdivisions (a) and (b): Funds allocated for centers and regional collaboratives shall seek to maximize the use of state funds for subdivisions (g) to (j), inclusive, of Section 88531 of the Education Code. Funds allocated to districts for purposes of subdivisions (g) and (i) of Section 88531 of the Education Code for performance-

1 based training and student internships shall be
2 matched by a minimum of \$1 of private business
3 and industry funding for each \$1 of state funds.
4 Funds allocated for purposes of subdivision (h)
5 of Section 88531 of the Education Code for
6 credit and noncredit instruction may be transferred
7 to Schedule (1) or (3) to facilitate distribution at
8 the chancellor's discretion. Any funds that become
9 available from network centers due to savings,
10 discontinuance, or reduction of amounts shall first
11 be made available for additional allocations in
12 subdivision (b) to increase the level of subsidized
13 training otherwise available.

14 (g) Funds allocated by the Board of Governors of the
15 California Community Colleges under this provi-
16 sion may not be used by community college dis-
17 tricts to supplant existing courses or contract edu-
18 cation offerings. The chancellor shall ensure that
19 funds are spent only for expanded services and
20 shall implement accountability reporting for dis-
21 tricts receiving these funds to ensure that training,
22 credit, and noncredit programs remain relevant
23 to business needs. Programs that do not demon-
24 strate continued relevance and support by business
25 shall not be eligible for continued funding. The
26 board of governors shall consider the level of in-
27 volvement and financial commitments of business
28 and industry as primary factors in making awards.
29 The chancellor shall incorporate grant require-
30 ments into the guidelines for audits of economic
31 development grants.

32 (h) Primary objectives of the Economic and Work-
33 force Development Program are to maximize in-
34 struction, to prepare students for entry-level jobs,
35 to increase skills of the current workforce, and to
36 stimulate the growth of businesses through train-
37 ing so that more jobs are created. As part of the
38 annual report on the performance of the Economic
39 and Workforce Development Program, the chan-
40 cellor shall provide disaggregated data detailing

the funding provided to each economic development regional center and each industry-driven regional education and training collaborative, and to the extent practicable, the total number of hours of contract education services, performance improvement training, credit and noncredit instruction, and job placements created as a result of each center and collaborative.

24. (a) The funds appropriated in Schedule (17) for the Transfer Education and Articulation Program are available to support transfer and articulation projects and common course numbering projects.

(b) Funding provided to community college districts from Schedule (17) is provided to directly offset any mandated costs claimed by community college districts pursuant to Chapter 737 of the Statutes of 2004.

25. (a) \$13,673,000 of the funds appropriated in Schedule (18) is available for the following purposes:

(1) Scheduled maintenance and special repairs of facilities. The Chancellor of the California Community Colleges shall allocate funds to districts on the basis of actual reported full-time equivalent students (FTES), and may establish a minimum allocation per district. As a condition for receiving and expending these funds for maintenance or special repairs, a district shall certify that it will increase its operations and maintenance spending from the 1995–96 fiscal year by the amount it allocates from this appropriation for maintenance and special repairs, plus an equal amount to be provided from district discretionary funds. The chancellor may waive all or a portion of the matching requirement based upon a review of a district's financial condition. The question of whether a district has complied with its resolution shall be reviewed under the annual audit of that district. For every \$1 a district expends from

- 1 this appropriation for scheduled maintenance
- 2 and special repairs, the recipient district shall
- 3 provide \$1 in matching funds.
- 4 (2) Hazardous substances abatement, cleanup,
- 5 and repairs.
- 6 (3) Architectural barrier removal projects that
- 7 meet the requirements of the federal Americans with Disabilities Act of 1990 (42 U.S.C.
- 8 Sec. 12101 et seq.) and seismic retrofit projects limited to \$400,000. Districts that receive funds for architectural barrier removal
- 9 projects shall provide a \$1 match for every
- 10 \$1 provided by the state.
- 11 (b) \$13,672,000 of the funds appropriated in Schedule
- 12 (18) is available for replacement of instructional
- 13 equipment and library materials. For every \$3 a
- 14 district expends from this appropriation for replacement of instructional equipment or library
- 15 materials, the recipient district shall provide \$1
- 16 in matching funds. The chancellor may waive all
- 17 or a portion of the matching requirement based
- 18 upon a review of a district's financial condition.
- 19 The funds provided for instructional equipment
- 20 and library materials shall not be used for personal
- 21 services costs or operating expenses. The chancellor shall allocate funds to districts on the basis of
- 22 actual reported FTES and may establish a minimum allocation per district. The question of
- 23 whether a district has complied with its resolution
- 24 shall be reviewed under the annual audit of that
- 25 district.
- 26 (c) The funds appropriated in Schedule (18) shall be
- 27 available for expenditure until June 30, 2010.
- 28 26. Pursuant to Sections 69648.5, 78216, and 84850, and
- 29 subdivision (b) of Section 87108, of the Education
- 30 Code, the Board of Governors of the California Community Colleges may allocate funds appropriated in
- 31 Schedules (6), (9), (11), and (19) by grant or contract,
- 32 or through the apportionment process, to one or more
- 33 districts for the purpose of providing program evalua-
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tion, accountability, monitoring, or program development services, as appropriate under the applicable statute.

27. The funds appropriated in Schedule (21) for the Career Technical Education Program are for the purpose of aligning career-technical education curriculum between K–12 and community colleges in targeted industry-driven programs offered through the Economic and Workforce Development Program. Prior to the allocation of these funds, the Chancellor of the California Community Colleges, in conjunction with the State Department of Education, shall submit a proposed expenditure plan for the funds contained in this item, and the rationale therefor, to the Department of Finance by August 1, 2008, for approval.

Of the funds appropriated in Schedule (21), \$2,500,000 is available for the development and enhancement of health-related career pathway programs in grades 7 to 12, inclusive, and for the articulation and alignment of health-related curriculum between schools with pupils in kindergarten and grades 1 to 12, inclusive, and the California Community Colleges.

28. The funds appropriated in Schedule (22) for the Campus Childcare Tax Bailout shall be allocated by the Chancellor of the California Community Colleges to community college districts that levied child care permissive override taxes in the 1977–78 fiscal year pursuant to Sections 8329 and 8330 of the Education Code in an amount equal to the property tax revenues, tax relief subventions, and state aid required to be made available by the district to its child care and development program for the 1979–80 fiscal year pursuant to Section 30 of Chapter 1035 of the Statutes of 1979, increased by any cost-of-living increases granted in subsequent fiscal years. These funds shall be used only for the purpose of community college child care and development programs.

29. With regard to the funds appropriated in Schedule (23), Nursing Program Support, all of the following shall apply:

- 1 (a) \$14,000,000 shall be used to provide support for
- 2 nursing program enrollment and equipment needs
- 3 consistent with paragraph (2) of subdivision (a)
- 4 of Section 2 of Chapter 514 of the Statutes of
- 5 2001. Grant funding for nursing enrollment shall
- 6 provide a marginal increase in funding in addition
- 7 to the amount provided for each full-time equiva-
- 8 lent student for regular growth in apportionments.
- 9 (b) \$8,100,000 shall be used to provide diagnostic
- 10 and support services, preentry coursework, alter-
- 11 native program delivery model development, and
- 12 other services to reduce the incidence of student
- 13 attrition in nursing programs.
- 14 (d) The Board of Governors of the California Com-
- 15 munity Colleges shall develop a request for appli-
- 16 cations (RFA) to allocate the additional
- 17 \$5,214,000 of funds in subdivision (b) to commu-
- 18 nity college districts. Criteria for assessing each
- 19 RFA shall include all of the following:
- 20 (1) The degree to which the funds provided
- 21 would be used to increase student enrollment
- 22 in nursing programs beyond the level of full-
- 23 time equivalent students served in the
- 24 2007–08 academic year.
- 25 (2) The district’s level of attrition from nursing
- 26 programs and the suitability of planned ex-
- 27 penditures to address attrition levels.
- 28 (3) The degree to which funds provided would
- 29 be used to support infrastructure or equip-
- 30 ment needs with the intent of building capac-
- 31 ity and increasing the number of nursing
- 32 students served.
- 33 (4) For districts with attrition rates of 15 percent
- 34 or more, new grant funding shall focus on
- 35 attrition reduction. For districts with attrition
- 36 rates below 15 percent, new grant funding
- 37 shall focus on enrollment expansion.
- 38 (e) The board of governors shall release the RFA no
- 39 sooner than 30 days after submitting it to the

Legislature and the Department of Finance for review.

- (f) On or before March 1 of each year, the Chancellor of the California Community Colleges shall provide the Legislature and the Department of Finance with a report on the allocation of funding. For each district receiving funding under this item, the report shall include all of the following: (1) the amount of funding received, (2) the number of nursing full-time equivalent students served in the 2006–07 academic year, and the additional number of nursing full-time equivalent students served with funding provided in this item in each subsequent year, (3) the district’s attrition and completion rates in the 2006–07 academic year and subsequent years, (4) any equipment or infrastructure-related items acquired with the funds appropriated in this item, and (5) the number of new and existing faculty receiving annual stipend awards.

SEC. 104. Item 7980-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

7980-001-0001—For support of Student Aid Commission.....	14,206,000
Schedule:	
(1) 15-Financial Aid Grants Program.....	15,421,000
(1.5) 50-California Loan Program.....	1,000,000
(2) 80.01-Administration and Support Services.....	3,369,000
(3) 80.02-Distributed Administration and Support Services.....	–3,369,000
(3.5) 97.20.001-Unallocated Reduction.....	–789,000
(4) Reimbursements.....	–296,000
(4.5) Amount payable from the Student Loan Operating Fund (Item 7980-001-0784).....	–1,000,000
(5) Amount payable from the Federal Trust Fund (Item 7980-001-0890).....	–130,000

Provisions:

1. The funds appropriated in this item are available only for the Student Aid Commission's state operations activities.
2. Of the funds appropriated in Schedule (1), up to \$369,000 is available for expenditure to support enhancement of the Student Aid Commission's Grant Delivery System.
3. Schedule (1) includes funding for 2.0 positions to increase program compliance reviews for institutions participating in the Cal Grant Program under Chapter 1.7 (commencing with Section 69430) of Part 42 of Division 5 of Title 3 of the Education Code and the Assumption Program of Loans for Education under Article 5 (commencing with Section 69612) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, with the objective of auditing higher risk institutions once every three years. The audits shall emphasize verification of applicant eligibility, fund disbursement, and payment reconciliation. The Student Aid Commission shall prioritize its review of institutions that have demonstrated noncompliance in prior audits. The commission shall report to the Legislature and the Governor by September 30, 2008, on the institutions audited, the rate of noncompliance with each major program requirement, and the steps taken to address noncompliance.
4. (a) This item reflects \$1,000,000 payable from the Student Loan Operating Fund for the purpose of funding, on a limited-term basis, 6.0 positions in the Federal Policy and Programs Division. Those positions shall be continued until a sale or other authorized transaction is completed pursuant to Chapter 182 of the Statutes of 2007, which is anticipated to occur in the 2009–10 fiscal year.
(b) Additionally, this item reflects an increase of \$1,010,000 available on a one-time basis for necessary moving costs, furnishings, and equipment associated with relocation of the Student Aid Commission. Not later than August 1, 2008,

the commission shall detail and submit for approval to the Department of Finance, and for informational purposes to the Chairperson of the Joint Legislative Budget Committee, all one-time costs estimated to be necessary for relocation of the commission. Any funds remaining shall be available for any expenses that may be necessary or convenient to further the intent of the sale or other authorized transaction of EdFund pursuant to Chapter 182 of the Statutes of 2007 upon the written approval of the Department of Finance.

SEC. 105. Item 7980-001-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

7980-001-0890—For support of Student Aid Commission, Cash for College Program, for payment to Item 7980-001-0001, payable from the Federal Trust Fund.....	130,000
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SEC. 106. Item 7980-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

7980-101-0001—For local assistance, Student Aid Commission.....	823,984,000
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Schedule:

(1) 15-Financial Aid Grants Program.....	885,669,000
(2) Reimbursements.....	-19,514,000
(3) Amount payable from the Federal Trust Fund (Item 7980-101-0890).....	-18,171,000
(4) Amount payable from the Student Loan Operating Fund (Item 7980-101-0784).....	-24,000,000

Provisions:

1. Funds appropriated in Schedule (1) are for purposes of all of the following:

(a) Awards in the Cal Grant Program under Chapter 1.7 (commencing with Section 69430) and Article 3 (commencing with Section 69530) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code.

- 1 (b) Grants under the Law Enforcement Personnel
2 Dependents Scholarship Program pursuant to
3 Section 4709 of the Labor Code.
- 4 (c) California Student Opportunity and Access Pro-
5 gram contract agreements under Article 4 (com-
6 mencing with Section 69560) of Chapter 2 of Part
7 42 of Division 5 of Title 3 of the Education Code.
- 8 (d) The purchase of loan assumptions under Article
9 5 (commencing with Section 69612) of Chapter
10 2 of Part 42 of Division 5 of Title 3 of the Educa-
11 tion Code. The Student Aid Commission shall is-
12 sue 8,000 new warrants.
- 13 (e) The purchase of loan assumptions under the
14 Graduate Assumption Program of Loans for Edu-
15 cation pursuant to Article 5.5 (commencing with
16 Section 69618) of Chapter 2 of Part 42 of Division
17 5 of Title 3 of the Education Code.
- 18 (f) The purchase of loan assumptions under the State
19 Nursing Assumption Program of Loans for Edu-
20 cation (SNAPLE) Employees of State Facilities
21 Program pursuant to Article 2 (commencing with
22 Section 70120) of Chapter 3 of Part 42 of Division
23 5 of Title 3 of the Education Code.
- 24 (g) The purchase of loan assumptions under the State
25 Nursing Assumption Program of Loans for Edu-
26 cation (SNAPLE) pursuant to Article 1 (commenc-
27 ing with Section 70100) of Chapter 3 of Part 42
28 of Division 5 of Title 3 of the Education Code.
- 29 (h) The Student Aid Commission shall report by April
30 1, 2009, on the State Nursing Assumption Pro-
31 gram of Loans for Education, pursuant to the re-
32 porting requirements of Section 70108 of the Ed-
33 ucation Code.
- 34 (i) Of the amount appropriated in Schedule (1),
35 \$297,000 is provided for loan assumption pay-
36 ments to participants in the National Guard As-
37 sumption Program of Loans for Education pur-
38 suant to Article 12.5 (commencing with Section
39 69750) of Chapter 2 of Part 42 of the Education
40 Code.

- (j) Notwithstanding subdivision (c) of Section 69613.8 of the Education Code, any Assumption Program of Loans for Education participant who meets the requirements of subdivision (a) or (b) of Section 69613.8 of the Education Code may receive the additional loan assumption benefits authorized by those subdivisions.
2. If federal trust funds for the 2008–09 fiscal year exceed budgeted levels for the Leveraging Educational Assistance Partnership Program (LEAP) and the Special Leveraging Educational Assistance Partnership Program (SLEAP), the funds appropriated shall, to the extent allowable by federal law, be reduced on a dollar-for-dollar basis.
3. Eligibility for moneys appropriated in this item is limited to students who demonstrate financial need according to the nationally accepted needs analysis methodology, who meet other Student Aid Commission eligibility criteria, and, notwithstanding subdivision (k) of Section 69432.7 of the Education Code, whose income or family’s gross income does not exceed \$88,300 for the purpose of determining recipients for the 2008–09 award year.
4. Notwithstanding any other provision of law, the maximum award for:
- (a) New recipients attending private and independent institutions shall be \$9,708.
 - (b) All recipients receiving Cal Grant B access awards shall be \$1,551.
 - (c) All recipients receiving Cal Grant C tuition and fee awards shall be \$2,592.
 - (d) All recipients receiving Cal Grant C book and supply awards shall be \$576.
5. Of the funds appropriated in this item, \$7,349,000 is for the California Student Opportunity and Access Program established pursuant to Article 4 (commencing with Section 69560) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, as amended in the current legislative session, and shall be available to provide financial aid awareness and

1 outreach to students who are preparing to enter, or are
2 currently enrolled in, college. Of this amount,
3 \$1,000,000 is dedicated for career technical education
4 and the resulting career opportunities. The Student
5 Aid Commission shall consult with the State Depart-
6 ment of Education and the Chancellor's Office of the
7 California Community Colleges in determining the
8 projects and activities for these funds. This provision
9 reflects funds anticipated from the College Access
10 Challenge Grant Program authorized by HR 2669 for
11 the federal 2007–08 and 2008–09 fiscal years.

12 6. Notwithstanding any other provision of law, the com-
13 mission may not issue new warrants for the assumption
14 of loans for the Graduate Assumption Program of
15 Loans for Education pursuant to Article 5.5 (commenc-
16 ing with Section 69618) of Chapter 2 of Part 42 of
17 Division 5 of Title 3 of the Education Code.

18 7. Pursuant to Chapter 403 of the Statutes of 2000 and
19 notwithstanding any other provision of law, the Direc-
20 tor of Finance may authorize the augmentation, from
21 the Special Fund for Economic Uncertainties estab-
22 lished pursuant to Section 16418 of the Government
23 Code, of the annual amount appropriated for the pur-
24 poses of making Cal Grant awards pursuant to Chapter
25 1.7 (commencing with Section 69430) of Part 42 of
26 Division 5 of Title 3 of the Education Code, as neces-
27 sary to fully fund the number of awards required to be
28 granted by that chapter. No augmentation may be au-
29 thorized under this provision sooner than 30 days after
30 the Director of Finance provides written notice of the
31 proposed augmentation to the Chairperson of the Joint
32 Legislative Budget Committee and the chairpersons
33 of the committees in each house of the Legislature that
34 consider appropriations, nor sooner than whatever
35 lesser time those persons, or their designees, may in
36 each instance determine.

37 8. The Student Aid Commission is authorized to issue
38 100 new warrants for the State Nursing Assumption
39 Program of Loans for Education (SNAPLE) Employ-
40 ees of State Facilities Program pursuant to Article 2

- (commencing with Section 70120) of Chapter 3 of Part 42 of Division 5 of Title 3 of the Education Code.
9. The Student Aid Commission shall issue 100 new State Nursing Assumption Program of Loans for Education (SNAPLE) warrants pursuant to Article 1 (commencing with Section 70100) of Chapter 3 of Part 42 of Division 5 of Title 3 of the Education Code.
10. Of the funds appropriated in Schedule (1), as reimbursed from federal trust funds in Schedule (3), \$200,000 is for the Cash for College Program.

SEC. 107. Item 7980-101-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

- 7980-101-0890—For local assistance, Student Aid Commission, for payment to Item 7980-101-0001, payable from the Federal Trust Fund..... 18,171,000
- Provisions:
1. Of the funds appropriated in this item, \$10,622,000 is available for the Leveraging Educational Assistance Partnership Program (LEAP) and Special Leveraging Educational Assistance Partnership Program (SLEAP).
 2. Of the funds appropriated in this item, \$200,000 is available for the Cash for College Program. This amount reflects funds anticipated from the new College Access Challenge Grant Program authorized in HR 2669 for the 2007–08 and 2008–09 federal fiscal years.
 3. Of the funds appropriated in this item, \$7,349,000 is available for the California Student Opportunity and Access Program (Cal-SOAP). This amount reflects funds anticipated from the New College Access Challenge Grant Program authorized in HR 2669 for the 2007–08 and 2008–09 federal fiscal years.

SEC. 108. Item 8380-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

- 8380-001-0001—For support of Department of Personnel Administration..... 6,285,000

Schedule:

(1) 10-Classification and Compensation.....	6,442,000
(2) 20-Labor Relations.....	3,480,000
(3) 25-Legal.....	7,947,000
(4) 40.01-Administration.....	4,370,000
(5) 40.02-Distributed Administration.....	-4,457,000
(6) 54-Benefits Administration.....	32,972,000
(7) Reimbursements.....	-19,254,000
(8) Amount payable from the Flexelect Benefit Fund (Item 8380-001-0821).....	-1,183,000
(9) Amount payable from the Deferred Compensation Plan Fund (Item 8380- 001-0915).....	-13,837,000
(10) Amount payable from the Vision Care Program for State Annuitants Fund (Item 8380-001-8049).....	-6,500,000
(11) Amount payable from the Central Ser- vice Cost Recovery Fund (Item 8380- 001-9740).....	-3,695,000

Provisions:

1. The Department of Personnel Administration may use funds appropriated in this item to complete comprehensive salary surveys that include private and public employers, geographical data, and total compensation. The department shall provide to the appropriate fiscal and policy committees of each house of the Legislature and the Legislative Analyst, within 30 days of completion, each completed salary survey report.
2. Of the funds appropriated in this item, \$350,000 may be spent by the Department of Personnel Administration to contract with one or more recruitment contractors to locate and develop a pool of prospective health care professionals for various state departments that employ medical, mental health, or dental professionals. It is the intent of the Legislature that these contracts will be structured on a performance basis with payments tied to the successful hiring of state staff. Should the Director of Finance, upon receiving a recommendation of the Director of the Department of Personnel Administration, determine that it would be in the inter-

ests of the state to expand the dollar amount committed to this project, he or she may submit to the Chairperson of the Joint Legislative Budget Committee and the Legislative Analyst a report describing the number of individuals who have been successfully hired to permanent positions in affected departments as a result of the recruitment contractors' work to date and the anticipated benefits (including funds that affected departments would revert to the State Treasury due to decreased overtime and contracted personnel costs) that would result from an expansion of the funds committed to this project. Not less than 30 days after submitting the report described above, the Director of Finance may augment this item by an amount not exceeding \$1,500,000 in order to increase health care personnel recruitment efforts.

SEC. 109. Item 8660-001-0042 of Section 2.00 of the Budget Act of 2008 is amended to read:

8660-001-0042—For support of Public Utilities Commission,	
for payment to Item 8660-001-0462, payable from the State	
Highway Account, State Transportation Fund.....	3,280,000

SEC. 110. Item 8660-001-0046 of Section 2.00 of the Budget Act of 2008 is amended to read:

8660-001-0046—For support of Public Utilities Commission,	
for payment to Item 8660-001-0462, payable from the	
Public Transportation Account, State Transportation	
Fund.....	3,423,000

SEC. 111. Item 8660-001-0412 of Section 2.00 of the Budget Act of 2008 is amended to read:

8660-001-0412—For support of Public Utilities Commission,	
for payment to Item 8660-001-0462, payable from the	
Transportation Rate Fund.....	2,702,000

SEC. 112. Item 8660-001-0461 of Section 2.00 of the Budget Act of 2008 is amended to read:

8660-001-0461—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the Public Utilities Commission Transportation Reimbursement Account..... 10,681,000

SEC. 113. Item 8660-001-0462 of Section 2.00 of the Budget Act of 2008 is amended to read:

8660-001-0462—For support of Public Utilities Commission, payable from the Public Utilities Commission Utilities Reimbursement Account..... 77,148,000

Schedule:

- (1) 10-Regulation of Utilities..... 120,360,000
- (2) 15-Universal Service Telephone Programs..... 663,655,000
- (3) 20-Regulation of Transportation..... 19,588,000
- (4) 30.01-Administration..... 29,123,000
- (5) 30.02-Distributed Administration..... -29,123,000
- (6) Reimbursements..... -14,874,000
- (6.5) Reimbursement to the Office of Ratepayer Advocates..... -3,910,000
- (7) Amount payable from the State Highway Account, State Transportation Fund (Item 8660-001-0042)..... -3,280,000
- (8) Amount payable from the Public Transportation Account, State Transportation Fund (Item 8660-001-0046)..... -3,423,000
- (9) Amount payable from the Transportation Rate Fund (Item 8660-001-0412).... -2,702,000
- (10) Amount payable from the Public Utilities Commission Transportation Reimbursement Account (Item 8660-001-0461)..... -10,681,000
- (11) Amount payable from California High-Cost Fund-A Administrative Committee Fund (Item 8660-001-0464)..... -56,361,000

1	(12) Amount payable from California	
2	High-Cost Fund-B Administrative	
3	Committee Fund (Item 8660-001-	
4	0470).....	-196,148,000
5	(13) Amount payable from Universal	
6	Lifeline Telephone Service Trust	
7	Administrative Committee Fund	
8	(Item 8660-001-0471).....	-308,154,000
9	(14) Amount payable from Deaf and Dis-	
10	abled Telecommunications Program	
11	Administrative Committee Fund (Item	
12	8660-001-0483).....	-69,046,000
13	(15) Amount payable from Payphone Ser-	
14	vice Providers Committee Fund (Item	
15	8660-001-0491).....	-495,000
16	(16) Amount payable from California	
17	Teleconnect Fund Administrative	
18	Committee Fund (Item 8660-001-	
19	0493).....	-33,451,000
20	(17) Amount payable from the Federal Trust	
21	Fund (Item 8660-001-0890).....	-1,272,000
22	(18) Amount payable from the Public Util-	
23	ities Commission Ratepayer Advocate	
24	Account (Item 8660-001-3089).....	-22,658,000
25	Provisions:	
26	1. The Public Utilities Commission shall require any	
27	public utility requesting a merger to reimburse the	
28	commission for those necessary expenses that the	
29	commission incurs in its consideration of the proposed	
30	merger.	

31
32 SEC. 114. Item 8660-011-0470 is added to Section 2.00 of the
33 Budget Act of 2008, to read:

34		
35	8660-011-0470—For transfer by the Controller from the Cali-	
36	fornia High-Cost Fund-B Administrative Committee Fund	
37	to the General Fund.....	(35,000,000)
38	Provisions:	
39	1. The amount transferred in this item is a loan to the	
40	General Fund and shall be repaid by June 30, 2011.	

Repayment shall be made so as to ensure that the programs supported by the California High-Cost Fund-B Administrative Committee Fund are not adversely affected by the loan.

SEC. 115. Item 8660-011-0471 is added to Section 2.00 of the Budget Act of 2008, to read:

8660-011-0471—For transfer by the Controller from the Universal Lifeline Telephone Service Trust Administrative Committee Fund to the General Fund..... (30,000,000)

Provisions:

1. The amount transferred in this item is a loan to the General Fund and shall be repaid by June 30, 2011. Repayment shall be made so as to ensure that the programs supported by the Universal Lifeline Telephone Service Trust Administrative Committee Fund are not adversely affected by the loan.

SEC. 116. Item 8660-011-0483 is added to Section 2.00 of the Budget Act of 2008, to read:

8660-011-0483—For transfer by the Controller from the Deaf and Disabled Telecommunications Program Administrative Committee Fund to the General Fund..... (85,000,000)

Provisions:

1. The amount transferred in this item is a loan to the General Fund and shall be repaid by June 30, 2011. Repayment shall be made so as to ensure that the programs supported by the Deaf and Disabled Telecommunications Program Administrative Committee Fund are not adversely affected by the loan.

SEC. 117. Item 8860-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

8860-001-0001—For support of Department of Finance..... 16,243,000

Schedule:

- (1) 10-Annual Financial Plan..... 22,767,000
- (2) 15-Statewide Systems Development..... 1,915,000

1	(3) 20-Program and Information System	
2	Assessments.....	12,699,000
3	(4) 30-Supportive Data.....	12,603,000
4	(5) 40.01-Administration.....	8,230,000
5	(6) 40.02-Distributed Administration.....	-5,595,000
6	(7) Reimbursements.....	-19,679,000
7	(8) Amount payable from Unallocated	
8	Special Funds (Item 8860-011-0494)....	-547,000
9	(9) Amount payable from Unallocated Bond	
10	Funds—Select (Item 8860-011-0797)....	-120,000
11	(10) Amount payable from Other Unallocat-	
12	ed Nongovernmental Cost Funds (Item	
13	8860-011-0988).....	-327,000
14	(11) Amount payable from Local Streets and	
15	Road Improvement, Congestion Relief,	
16	and Traffic Safety Account of 2006,	
17	Highway Safety, Traffic Reduction, Air	
18	Quality, and Port Security Fund of 2006	
19	(Item 8860-001-6065).....	-119,000
20	(12) Amount payable from Central Service	
21	Cost Recovery Fund (Item 8860-001-	
22	9740).....	-15,584,000
23	Provisions:	
24	1. The funds appropriated in this item for CALSTARS	
25	shall be transferred by the Controller, upon order of	
26	the Director of Finance, or made available by the De-	
27	partment of Finance as a reimbursement, to other items	
28	and departments for CALSTARS-related activities by	
29	the Department of Finance.	
30	2. The funds appropriated in this act for purposes of	
31	CALSTARS-related data-processing costs may be	
32	transferred between any items in this act by the Con-	
33	troller upon order of the Director of Finance. Any	
34	funds so transferred shall be used only for support of	
35	CALSTARS-related data-processing costs incurred.	
36	3. Notwithstanding any other provision of law, the Direc-	
37	tor of Finance may authorize a loan from the General	
38	Fund to the Department of Finance for the purpose of	
39	meeting operational cashflow obligations for the	
40	2008–09 fiscal year. The loan shall not exceed the es-	

1 timated amount of uncollected reimbursements for the
2 final quarter of the fiscal year.

- 3 4. From the funds appropriated in Schedule (3) for the
4 purpose of evaluating and continuing development
5 and enhancement of the Governor's Budget Presenta-
6 tion System (GBPS), the following provisions apply:

- 7 (a) From time to time, but no later than December 1,
8 2008, the Department of Finance shall update the
9 Legislature on anticipated changes to the GBPS.
10 In addition, the Department of Finance shall (1)
11 no later than the approximate same time the
12 Governor's Budget is formally presented in elec-
13 tronic or any other Web-based form, provide
14 printed and bound hard copies of the Governor's
15 Budget and Governor's Budget Summary as fol-
16 lows: to the Legislative Analyst's Office—45
17 copies, the Office of the Legislative Counsel—
18 six copies, offices of the Members of the Legisla-
19 ture—120 copies, the Rules Committees of the
20 Assembly and Senate—5 copies each, and the
21 fiscal committees of the Legislature—60 copies,
22 and (2) no later than four weeks after the Gover-
23 nor's Budget is formally presented in electronic
24 or any other Web-based form, 131 printed and
25 bound hard copies of the Governor's Budget and
26 Governor's Budget Summary shall be provided
27 as follows: two copies to the State Library, to en-
28 sure that the State Librarian maintains at least one
29 public copy and one for the permanent research
30 collections, and 129 copies: one copy to each de-
31 pository public library in the state. Additional
32 copies, either bound or unbound, shall be available
33 for purchase by the public based on the cost of
34 producing the documents requested. Whenever
35 the Department of Finance submits to the Legisla-
36 ture changes to the Governor's Budget or to the
37 Budget Bill, these requests shall be provided in
38 hard copy form to the Legislature including the
39 appropriate staff of the fiscal committees and the
40 Legislative Analyst's Office. Whenever the De-

partment of Finance releases a document summarizing changes proposed for the Governor's Budget or to the Budget Bill, the Department of Finance shall provide the summaries in hard copy form to the Legislature including the appropriate staff of the fiscal committees and the Legislative Analyst's Office.

- (b) Notwithstanding any other provision of law, the Department of Finance may amend its existing contract with the Web development firm to augment and continue consulting services until June 30, 2009, for the purpose of providing continuity of services.

SEC. 118. Item 8880-001-9737 of Section 2.00 of the Budget Act of 2008 is amended to read:

8880-001-9737—For support of Financial Information System for California, payable from the FISCAL Internal Service Fund..... 37,650,000

Schedule:

- (1) 15-Statewide Systems Development..... 39,825,000
 (2) Amount payable from General Fund
 (Item 8880-001-0001)..... -2,175,000

Provisions:

1. The Department of Finance is authorized to approve and make expenditures from this item until the Office of the Financial Information System for California is established through legislation.
2. Control agency delegations for administrative services approved for the administrative services provider department to the Financial Information System for California (FISCAL) project shall be extended to the FISCAL project and the FISCAL Office until such time as the project and office obtain separate delegation approvals.

SEC. 119. Item 9100-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

9100-101-0001—For local assistance, Tax Relief..... 638,291,000

Schedule:

- (1) 10-Senior Citizens' Property Tax Assistance..... 0
- (2) 20-Senior Citizens' Property Tax Deferral Program..... 25,800,000
- (3) 30-Senior Citizen Renters' Tax Assistance..... 135,286,000
- (4) 50-Homeowners' Property Tax Relief..... 442,465,000
- (5) 60-Subventions for Open Space..... 34,740,000

Provisions:

- 1. Schedule (2) is for property tax postponement and assistance to claimants in accordance with the Senior Citizens Property Tax Assistance and Postponement Law (Part 10.5 (commencing with Section 20501) of Division 2 of the Revenue and Taxation Code). The appropriation made in that schedule shall be in lieu of the appropriation for the same purpose contained in Section 16100 of the Government Code.
- 2. Schedule (3) is for property tax assistance to renter claimants in accordance with the Senior Citizens Property Tax Assistance and Postponement Law (Part 10.5 (commencing with Section 20501) of Division 2 of the Revenue and Taxation Code).
- 3. Schedule (4) is for reimbursement to local taxing authorities for revenue lost by reason of the homeowners' property tax exemption granted pursuant to subdivision (k) of Section 3 of Article XIII of the California Constitution. The appropriation made in that schedule shall be in lieu of the appropriation required pursuant to Section 25 of Article XIII of the California Constitution and the appropriation for the same purposes con-

tained in Section 16100 or 16120 of the Government Code.

4. Schedule (5) is for providing reimbursement to local taxing authorities for revenue lost by reason of the assessment of open-space lands under Sections 423, 423.3, 423.4, and 423.5 of the Revenue and Taxation Code, and in accordance with Chapter 3 (commencing with Section 16140) of Part 1 of Division 4 of Title 2 of the Government Code. The appropriation made in that schedule shall be in lieu of the appropriation for the same purpose contained in Section 16100 or 16140 of the Government Code. The Controller shall allocate these funds in accordance with Section 16144 of the Government Code.

5. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for Schedules (2), (3), (4), and (5) in excess of or less than the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.

6. Schedule (1) is for property tax assistance to homeowner claimants in accordance with the Senior Citizens Property Tax Assistance and Postponement Law (Part 10.5 (commencing with Section 20501) of Division 2 of the Revenue and Taxation Code). Notwithstanding any other provision of law, this property tax assistance to homeowner claimants is suspended for the 2008–09 fiscal year and no payments shall be made.

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SEC. 119. Item 8940-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

8940-001-0001—For support of Military Department.....	39,155,000
	40,326,000

Schedule:

(1) 10-Army National Guard.....	71,658,000
(2) 20-Air National Guard.....	20,821,000
(3) 30.01-Office of the Adjutant General....	10,786,000
(4) 30.02-Distributed Office of the Adjutant General.....	-10,699,000
(5) 35-Military Support to Civil Authority.....	19,090,000
(6) 40-Military Retirement.....	3,035,000
(7) 50-California Cadet Corps.....	330,000
(8) 55-California State Military Reserve.....	456,000
(9) 65-California National Guard Youth Programs.....	16,592,000
(11) Reimbursements.....	-18,870,000
(12) Amount payable from the Armory Discretionary Improvement Account (Item 8940-001-0485).....	-150,000
(13) Amount payable from the Federal Trust Fund (Item 8940-001-0890).....	-72,723,000
(15) Amount payable from the Emergency Response Account (Item 8940-001-1014).....	-1,171,000

Provisions:

1. No expenditures shall be made from the funds appropriated in this item as a substitution for personnel, equipment, facilities, or other assistance, or for any portion thereof, that, in the absence of the expenditure, or of this appropriation, would be available to the Adjutant General of the State Military Forces, the California State Military, or the California State Military Reserve from the federal government.
2. The funds appropriated in Schedule (6) shall be for military retirements, in accordance with Sections 228 and 256 of the Military and Veterans Code.
3. Of the funds appropriated in this item, \$604,000 shall be used to provide mandatory employee compensation increases for state active duty employees, as follows:
 - (a) \$302,000 shall provide the remaining half-year funding needed for the compensation increase effective January 1, 2008;
 - (b) \$302,000 shall provide half-year

funding for a compensation increase effective January 1, 2009, and shall only be available for expenditure upon passage of a federal active duty compensation increase in the federal budget. The funds provided in this paragraph shall be expended pursuant to Sections 320 and 321 of the Military and Veterans Code, which requires state active duty employees to receive the same compensation increases as their counterparts on federal active duty. Any unspent funds pursuant to this paragraph shall revert to the General Fund.

SEC. 119.5. Item 9210-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

9210-101-0001—For local assistance, Local Government Financing.....	200,000,000
	214,200,000

Provisions:

1. For allocation by the Controller to local jurisdictions for public safety as determined by the Director of Finance pursuant to Chapter 6.7 (commencing with Section 30061) of Division 3 of Title 3 of the Government Code.
2. Notwithstanding any other provision of law, the funds appropriated in this item shall be available for expenditure until June 30, 2010. These funds shall be used to supplement and not supplant existing services.

SEC. 120. Item 9210-105-0001 is added to Section 2.00 of the Budget Act of 2008, to read:

9210-105-0001—For local assistance, Local Government Financing.....	31,500,000
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Provisions:

1. For reimbursement of actual costs incurred by cities and other entities for local detention facilities subventions, charged pursuant to subdivision (a) of Section 29552 of the Government Code during the 2007–08 fiscal year. Any funds not disbursed shall revert to the General Fund no later than June 30, 2009.

2. No later than December 1, 2008, the Controller shall allocate the funds appropriated in this item to all eligible cities and other entities, and shall certify to the Director of Finance the actual amount of moneys allocated for the payment of local detention facilities subventions, as described in Section 29552 of the Government Code. Any city or other entity that applies for funding pursuant to this item shall comply with all requests made by the Controller.
3. The Controller shall reduce payments proportionally if the amount appropriated in this item is not sufficient to pay all valid claims in full.

SEC. 121. ~~Item 9350-104-6065 is added to Section 2.00 of the Budget Act of 2008, to read:~~

~~9350-104-6065—Local assistance-shared revenues for support of Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account of 2006, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006.....~~ 187,000,000

~~Provisions:~~

- ~~1. The funds appropriated by this item are for allocation to cities or a city and county.~~
- ~~2. The Controller shall allocate these funds to cities or a city and county, on a first-come, first-served basis, following notification from the Department of Finance that the city or city and county has submitted a complete plan for the expenditure of these funds, pursuant to subdivision (b) of Section 8879.65 of the Government Code.~~
- ~~3. For purposes of this item, the following conditions shall apply for cities or a city and county receiving funds:~~
 - ~~(a) A city or city and county shall have received its full allocation for the 2007–08 fiscal year.~~
 - ~~(b) A city or city and county shall have submitted information for the 2007–08 fiscal year allocation as required in subdivision (c) of Section 8879.65 of the Government Code.~~

- 1 (e) A city or city and county shall agree that funds
2 from the 2008–09 fiscal year allocation will be
3 used for projects that are not currently fully
4 funded with a dedicated funding source or
5 sources.
- 6 (d) A city or city and county shall agree to encumber
7 funds from the 2008–09 fiscal year allocation
8 before July 1, 2009.
- 9 (e) A city or city and county shall report to the De-
10 partment of Finance the total balance of unencum-
11 bered funds in the city's or city and county's ex-
12 isting account as described in subparagraphs (A)
13 and (C) of paragraph (2) of subdivision (I) of
14 Section 8879.23 of the Government Code.
- 15 (f) A city or city and county shall certify that the total
16 balance of unencumbered funds in the account as
17 described in subparagraphs (A) and (C) of para-
18 graph (2) of subdivision (I) of Section 8879.23 of
19 the Government Code is no more than the sum
20 balance of three months of anticipated income
21 from the Highway Users Tax Account in the
22 Transportation Tax Fund, as described in Sections
23 2104, 2105, 2106, 2107, and 2107.5 of the Streets
24 and Highways Code, and from the Transportation
25 Investment Fund, as described in Section 7104 of
26 the Revenue and Taxation Code. If a city or city
27 and county has an unencumbered balance that
28 exceeds the sum balance of the three months of
29 anticipated income from the Highway Users Tax
30 Account in the Transportation Tax Fund and the
31 Transportation Investment Fund, the city or city
32 and county shall reduce its existing unencumbered
33 road fund balance, before the next report submit-
34 ted to the Controller pursuant to Section 2151 of
35 the Streets and Highways Code, by either of the
36 following:
- 37 (1) By an amount equivalent to the allocation
38 received under this subdivision.
- 39 (2) Until the unencumbered balance is no more
40 than the sum balance of three months of an-

~~anticipated income from the Highway Users
Tax Account in the Transportation Tax Fund
and the Transportation Investment Fund.~~

- (g) For the purpose of this item, “unencumbered” means any portion of funding that is not designated, through prior approval by the city council, for use on the planning, review, design, or construction phase of a project currently underway at the time of the road fund report.

SEC. 121. Item 9350-104-6065 is added to Section 2.00 of the Budget Act of 2008, to read:

9350-104-6065—Local assistance-shared revenues for support of Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account of 2006, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 250,000,000

Provisions:

1. Of the funds appropriated in this item, \$187,000,000 is for allocation to cities or a city and county and \$63,000,000 is for allocation to counties or a city and county.
2. The Controller shall allocate these funds to cities or a city and county, on a first-come, first-served basis, following notification from the Department of Finance that the city or city and county has submitted a complete plan for the expenditure of these funds, pursuant to subdivision (b) of Section 8879.65 of the Government Code.
3. For purposes of this item, the following conditions shall apply for cities or a city and county receiving funds:
 - (a) A city or city and county shall have received its full allocation for the 2007–08 fiscal year.
 - (b) A city or city and county shall have submitted information for the 2007–08 fiscal year allocation as required in subdivision (c) of Section 8879.65 of the Government Code.

- 1 (c) A city or city and county shall agree that funds
2 from the 2008–09 fiscal year allocation will be
3 used for projects that are not currently fully
4 funded with a dedicated funding source or
5 sources.
- 6 (d) A city or city and county shall agree to encumber
7 funds from the 2008–09 fiscal year allocation
8 before July 1, 2009.
- 9 (e) A city or city and county shall report to the De-
10 partment of Finance the total balance of unencum-
11 bered funds in the city’s or city and county’s ex-
12 isting account as described in subparagraphs (A)
13 and (C) of paragraph (2) of subdivision (l) of
14 Section 8879.23 of the Government Code.
- 15 (f) A city or city and county shall certify that the total
16 balance of unencumbered funds in the account as
17 described in subparagraphs (A) and (C) of para-
18 graph (2) of subdivision (l) of Section 8879.23 of
19 the Government Code is no more than the sum
20 balance of three months of anticipated income
21 from the Highway Users Tax Account in the
22 Transportation Tax Fund, as described in Sections
23 2104, 2105, 2106, 2107, and 2107.5 of the Streets
24 and Highways Code, and from the Transportation
25 Investment Fund, as described in Section 7104 of
26 the Revenue and Taxation Code. If a city or city
27 and county has an unencumbered balance that
28 exceeds the sum balance of the three months of
29 anticipated income from the Highway Users Tax
30 Account in the Transportation Tax Fund and the
31 Transportation Investment Fund, the city or city
32 and county shall reduce its existing unencumbered
33 road fund balance, before the next report submit-
34 ted to the Controller pursuant to Section 2151 of
35 the Streets and Highways Code, by either of the
36 following:
- 37 (1) By an amount equivalent to the allocation
38 received under this subdivision.
- 39 (2) Until the unencumbered balance is no more
40 than the sum balance of three months of an-

1 anticipated income from the Highway Users
2 Tax Account in the Transportation Tax Fund
3 and the Transportation Investment Fund.

4 (g) For the purpose of this item, “unencumbered”
5 means any portion of funding that is not designat-
6 ed, through prior approval by the city council, for
7 use on the planning, review, design, or construc-
8 tion phase of a project currently underway at the
9 time of the road fund report.

10 4. These funds shall be available for allocation by the
11 Controller until June 30, 2011.

12
13 SEC. 122. Section 4.07 of the Budget Act of 2008 is amended
14 to read:

15 Sec. 4.07. (a) The Director of Finance shall reduce General
16 Fund appropriations in the 2008–09 fiscal year by a total of
17 \$50,000,000. To the extent practical, these reductions shall capture
18 savings in departmental personal services budgets resulting from
19 position vacancies that, in the aggregate, exceed those estimated
20 for purposes of salary savings in each applicable appropriation
21 item. The reductions may include, but are not limited to, savings
22 related to the elimination of vacant positions in the 2008–09 fiscal
23 year or in other fiscal years pursuant to Section 12439 of the
24 Government Code.

25 (b) The Director of Finance shall not reduce, pursuant to
26 subdivision (a), the amounts appropriated for the following: higher
27 education; the judicial branch; the Legislature; the Legislative
28 Counsel Bureau; constitutional officers; debt service, including,
29 but not limited to, tobacco settlement revenue shortfall, payment
30 of interest on General Fund loans, and interest payments to the
31 federal government; health and dental benefits for annuitants;
32 equity claims before the California Victim Compensation and
33 Government Claims Board; or augmentations for contingencies
34 or emergencies, unless the savings identified would not negatively
35 affect program needs as provided for in this act or current law, and
36 provided that the affected entity or the state official responsible
37 for that expenditure concurs with the reduction.

38 (c) Nothing within this section shall be construed to confer any
39 authority upon the Director of Finance to modify or eliminate any
40 other provision of existing law.

(d) Not later than April 15, 2009, the Director of Finance shall report to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees of each house of the Legislature that consider appropriations the amount of reductions made in each item of appropriation pursuant to this section. The report shall include at least the following: the total dollar amount of vacancy-related reductions by department and agency; the savings achieved related to positions abolished by Section 12439 of the Government Code; the savings from position vacancies unrelated to Section 12439 of the Government Code; the positions and the amount of savings that the Administration proposes as permanent, if any; a description of any major programmatic effects relating to the reductions; and any other description necessary to fully disclose the reduction's impact.

(e) If reductions related to position vacancies are not sufficient to reduce General Fund appropriations by a total of \$50,000,000, the Director of Finance shall make reductions that are not related to position vacancies in order to achieve the total reduction required in subdivision (a). In the report described in subdivision (d), the Director of Finance shall include a description of each reduction by department, agency, and program; whether those reductions are proposed to be one-time or ongoing; a description of any major programmatic effects related to those reductions; and any other description necessary to fully disclose the impact of those reductions.

(f) A state operations appropriation and a program, project, or function designated in any line of any schedule set forth by that appropriation may not be reduced pursuant to this section by more than 20 percent. A local assistance appropriation and a program, project, or function designated in any line of any schedule set forth by that appropriation may not be reduced pursuant to this section by more than 5 percent.

SEC. 122.5. Section 12.32 of the Budget Act of 2008 is amended to read:

Sec. 12.32. (a) It is the intent of the Legislature that appropriations that are subject to Section 8 of Article XVI of the California Constitution be designated with the wording "Proposition 98." In the event these appropriations are not so designated, they may be designated as such by the Department of Finance, where that designation is consistent with legislative intent,

1 within 30 days after notification in writing of the proposed
2 designation to the chairpersons of the committees in each house
3 of the Legislature that consider appropriations and the Chairperson
4 of the Joint Legislative Budget Committee, or within a lesser time
5 that the chairperson of the joint committee, or his or her designee,
6 determines.

7 (b) Pursuant to the Proposition 98 funding requirements
8 established in Chapter 2 (commencing with Section 41200) of Part
9 24 of Division 3 of Title 2 of the Education Code, the total
10 appropriations for Proposition 98 for the 2008–09 fiscal year are
11 ~~\$43,157,117,000~~ *\$41,949,000,000* or 42.5 percent of total General
12 Fund revenues and transfers subject to the state appropriations
13 limit. General Fund revenues appropriated for school districts are
14 ~~\$38,657,420,000~~ *\$37,540,946,000* or ~~38.1~~ *38.0* percent of total
15 General Fund revenues and transfers subject to the state
16 appropriations limit. General Fund revenues appropriated for
17 community college districts are ~~\$4,393,349,000~~ *\$4,301,706,000*
18 or ~~4.3~~ *4.4* percent of total General Fund revenues and transfers
19 subject to the state appropriations limit. General Fund revenues
20 appropriated for other state agencies that provide direct elementary
21 and secondary level education, as defined in Section 41302.5 of
22 the Education Code, are \$106,348,000 or 0.1 percent of total
23 General Fund revenues and transfers subject to the state
24 appropriations limit.

25 SEC. 123. Section 24.85 of the Budget Act of 2008 is amended
26 to read:

27 Sec. 24.85. (a) Notwithstanding any other provision of law,
28 the Director of Finance is authorized to reimburse General Fund
29 expenditures for the purpose of offsetting the costs of the
30 Home-to-School Transportation Program for the 2008–09 fiscal
31 year from the Public Transportation Account. A sum not to exceed
32 \$588,826,000 from the Public Transportation Account may be
33 used to reimburse General Fund expenditures for the
34 Home-to-School Transportation Program. The total reimbursement
35 shall not reduce the balance in the Public Transportation Account
36 below a prudent reserve as determined by the Director of Finance.

37 (b) It is not the intent of the Legislature in enacting this section
38 to provide additional expenditure authority to state programs.

39 (c) Funds provided from the Public Transportation Account for
40 this purpose are derived from the sales tax on fuels and are

1 dedicated to mass transportation purposes pursuant to Section
2 99310.5 of the Public Utilities Code. The Legislature hereby finds
3 that transporting students to schools is a component of the state's
4 mass transportation program.

5 SEC. 124. ~~Section 35.20 is added to the Budget Act of 2008,~~
6 ~~to read:~~

7 ~~Sec. 35.20. If legislation is enacted amending Section 13302~~
8 ~~of the Government Code to allow the accrual of tax payments due~~
9 ~~more than two months after the close of the fiscal year for~~
10 ~~transactions occurring in the prior fiscal year, the Department of~~
11 ~~Finance shall provide guidance pursuant to Section 13310 of the~~
12 ~~Government Code with respect to the methodology to be employed~~
13 ~~in determining accruals and the timing of implementation of any~~
14 ~~changes in tax accrual practices. One-third of the change to accrual~~
15 ~~treatment of corporation and franchise tax payments shall apply~~
16 ~~to the 2007–08 fiscal year and the balance of the change shall be~~
17 ~~applied to the 2008–09 fiscal year and subsequent fiscal years.~~

18 SEC. 125. ~~Section 35.50 of the Budget Act of 2008 is amended~~
19 ~~to read:~~

20 ~~Sec. 35.50. (a) For purposes of paragraph (1) of subdivision~~
21 ~~(f) of Section 10, and subdivision (f) of Section 12, of Article IV~~
22 ~~of the California Constitution, "General Fund revenues" means~~
23 ~~the total resources available to the General Fund for a fiscal year~~
24 ~~before any transfer to the Budget Stabilization Account.~~

25 ~~(b) For purposes of subdivision (f) of Section 12 of Article IV~~
26 ~~of the California Constitution, "all appropriations from the General~~
27 ~~Fund for that fiscal year" shall not include any transfer to the~~
28 ~~Budget Stabilization Account to retire Economic Recovery Bonds~~
29 ~~because that amount is reflected in the "amount of any General~~
30 ~~Fund moneys transferred to the Budget Stabilization Account."~~

31 ~~(c) For purposes of subdivision (f) of Section 12 of Article IV~~
32 ~~of the California Constitution, the estimate of General Fund~~
33 ~~revenues for the 2008–09 fiscal year pursuant to this act, as passed~~
34 ~~by the Legislature, is \$105,378,633,000.~~

35 ~~(d) For purposes of subdivision (b) of Section 20 of Article XVI~~
36 ~~of the California Constitution, General Fund revenues shall be~~
37 ~~defined as revenues and transfers before any transfer to the Budget~~
38 ~~Stabilization Account, excluding any proceeds from Economic~~
39 ~~Recovery Bonds, as estimated in the enacted State Budget.~~

1 *SEC. 124. Section 35.20 is added to the Budget Act of 2008,*
2 *to read:*

3 *Sec. 35.20. If legislation is enacted amending Section 13302*
4 *of the Government Code to allow the accrual of tax payments due*
5 *more than two months after the close of the fiscal year for*
6 *transactions occurring in the prior fiscal year, the Department of*
7 *Finance shall provide guidance pursuant to Section 13310 of the*
8 *Government Code with respect to the methodology to be employed*
9 *in determining accruals and the timing of implementation of any*
10 *changes in tax accrual practices. This change to accrual treatment*
11 *of corporation and franchise tax payments and all of the change*
12 *to the treatment of personal income tax payments shall apply to*
13 *the 2007–08 fiscal year.*

14 *SEC. 125. Section 35.50 of the Budget Act of 2008 is amended*
15 *to read:*

16 *Sec. 35.50. (a) For purposes of paragraph (1) of subdivision*
17 *(f) of Section 10, and subdivision (f) of Section 12, of Article IV*
18 *of the California Constitution, “General Fund revenues” means*
19 *the total resources available to the General Fund for a fiscal year*
20 *before any transfer to the Budget Stabilization Account.*

21 *(b) For purposes of subdivision (f) of Section 12 of Article IV*
22 *of the California Constitution, “all appropriations from the General*
23 *Fund for that fiscal year” shall not include any transfer to the*
24 *Budget Stabilization Account to retire Economic Recovery Bonds*
25 *because that amount is reflected in the “amount of any General*
26 *Fund moneys transferred to the Budget Stabilization Account.”*

27 *(c) For purposes of subdivision (f) of Section 12 of Article IV*
28 *of the California Constitution, the estimate of General Fund*
29 *revenues for the 2008–09 fiscal year pursuant to this act, as passed*
30 *by the Legislature, is ~~\$107,711,233,000~~ \$106,355,000,000.*

31 *(d) For purposes of subdivision (b) of Section 20 of Article XVI*
32 *of the California Constitution, General Fund revenues shall be*
33 *defined as revenues and transfers before any transfer to the Budget*
34 *Stabilization Account, excluding any proceeds from Economic*
35 *Recovery Bonds, as estimated in the enacted State Budget.*

36 *SEC. 126. Sections 1 to 125, inclusive, of this act shall become*
37 *operative only if the Budget Act of 2008, Assembly Bill 1781, as*
38 *proposed by Conference Report No. 1 on July 17, 2008, is enacted*
39 *and becomes effective on or before January 1, 2009.*

1 SEC. 127. This act is an urgency statute necessary for the
2 immediate preservation of the public peace, health, or safety within
3 the meaning of Article IV of the Constitution and shall go into
4 immediate effect. The facts constituting the necessity are:

5 This act makes appropriations for the support of the government
6 of the State of California and for several public purposes for the
7 2008–09 fiscal year. It is imperative that these appropriations be
8 made effective as soon as possible. It is therefore necessary that
9 this act go into immediate effect.